

CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—TWENTY SEVENTH PARLIAMENT

15 ELIZABETH II

VOLUME II, 1966

COMPRISING THE PERIOD FROM THE FOURTEENTH DAY OF FEBRUARY, 1966,
TO THE FOURTH DAY OF MARCH, 1966, INCLUSIVE

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ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

23033—72½

HOUSE OF COMMONS

Monday, February 14, 1966

The house met at 2.30 p.m.

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

OBJECTION RESPECTING PROPOSED DISTRICT

Mr. Speaker: It is my duty to inform the house that an objection signed by the hon. members for Compton-Frontenac, Portneuf, Lapointe, Roberval, Kamouraska, Chapleau, Cariboo, Okanagan-Revelstoke, Nicolet-Yamaska, Lac-Saint-Jean (Messrs. Latulippe, Godin, Grégoire, Gauthier, Dionne, Laprise, Leboe, Johnston, Vincent and Simard) has been filed with me pursuant to section 20 of the Electoral Boundaries Readjustment Act, chapter 31, statutes of Canada, 1964-65, with regard to the report of the electoral boundaries commission for the province of Quebec relating to the proposed electoral district of Stanstead.

If the house will agree, I suggest that we follow the procedure used on former occasions in this session so that the text of the objection will be printed as an appendix to *Votes and Proceedings*.

Some hon. Members: Agreed.

[*English*]

MAIN ESTIMATES, 1966-67

EXPLANATORY STATEMENT OF THE MINISTER OF NATIONAL REVENUE

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1967, was presented by Hon. E. J. Benson (Minister of National Revenue) and read by Mr. Speaker to the house.

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, with the leave of the house I should like to make a short statement on these estimates to be followed by the usual motion for referral of them to the Committee of Supply.

Mr. Speaker: Does the minister have leave of the house to make the said statement?

Some hon. Members: Agreed.

Mr. Benson: Budgetary expenditures provided for in the estimates for the new fiscal year commencing April 1, 1966, including amounts already authorized by continuing statutes as well as moneys parliament is being requested to appropriate, amount to $7,950,459,478.

Parliament is also being asked to authorize the disbursement of moneys for loans, investments and advances which add to the government's active assets in the total amount of $332,765,400. Not included in these totals but set out in the estimates for information is the forecast amount for old age security pension payments amounting to $1,035 million. These pension payments are separated from the budget figures and are payable out of the old age security fund, to which are credited the taxes levied for this particular purpose. Not shown in the blue book are the anticipated payments during the last three months of 1966-67 from the Canada Pension Plan fund.

To compare the main estimates for 1966-67 with the total expenditures authorized by parliament to date for the current fiscal year would, of course, not be a true comparison. The new year's estimates do not take into account additional requirements which parliament will be asked to approve in the course of the next year by way of supplementary estimates or as a consequence of legislation to be presented to parliament, as set out in the Speech from the Throne, such as the Canada assistance plan and the health resources fund. For this reason, Mr. Speaker, a more precise comparison of total expenditures for the year commencing April 1, 1966 with those for the current and previous fiscal years must await the budget presentation.

• (2:40 p.m.)

It is also misleading to compare the main estimates for the coming fiscal year with the main estimates for the current year without taking into account several differences in coverage. For example, the main estimates for 1966-67 reflect the assumption by Quebec of fuller financial and administrative responsibility for certain shared cost programs. The main estimates for 1965-66 did not. Therefore any year to year comparison of the main estimates would be misleading to the extent that payments to Quebec formerly

made from estimates items are now replaced by abatement in tax collection by the federal government.

On the other hand, the new year estimates under the heading of payments to the provinces for old age assistance register a decrease of $25 million from 1965-66. That amount will be paid from the old age security fund in accordance with the plan to lower progressively the eligible age for old age pensions.

Increases in statutory expenditures between years, at $119 million, are smaller than is usual. The principal increases are $127 million in payments to provinces under the British North America Act, the Fiscal Arrangements Act and the Established Programs (Interim Arrangements) Act; $84 million in interest and other charges related to the public debt; $25 million in credits to the superannuation accounts for civil servants and the armed forces. These increases, which are statutory and do not require to be voted, are offset principally by the reductions, totalling $143 million, in the programs covered by the Established Programs (Interim Arrangements) Act.

I would like to draw the attention of the house to a number of changes in the organization of the estimates for 1966-67. In general these changes reflect the transfers of functions under the Public Service Rearrangement and Transfer of Duties Act announced by the Prime Minister on December 17 and effective on January 1, 1966.

With the permission of the house, Mr. Speaker, I now propose to table for inclusion in *Hansard* three tables relating to the 1966-67 estimates. The first table compares the 1966-67 estimates with the total budgetary estimates for several preceding years. The second table compares the estimates of statutory expenditures for 1966-67 with those for 1965-66. The third table indicates the changes in the main estimates between 1966-67 and 1965-66 under the headings of operating, capital and other costs.

Mr. Speaker: Is it agreed that these tables be included in *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: The tables referred to above are as follows:*]

TABLE I

TOTAL BUDGETARY ESTIMATES
(in millions of dollars)

	Main Estimates	Supplementary Estimates	Final Supplementary Estimates	Total
1966-67	7,950.5			
1965-66	7,399.7	426.2		7,825.9
1964-65	6,702.9	221.8	245.6	7,170.3
1963-64	6,307.2	311.9	240.9	6,860.0
1962-63	6,048.2[1]	181.0	281.9[2]	6,466.0[3]
1961-62	6,123.8	355.9	122.8	6,602.5
1960-61	5,732.2	169.9	178.2	6,080.3
1959-60	5,595.9	86.1	116.8	5,798.8
1958-59	5,178.8	144.8	282.8	5,606.4
1957-58	4,827.6	145.3	187.6	5,088.8[4]

[1]Revised estimates; original main estimates were greater by $228.0 million.
[2]This is the amount appropriated by governor general's warrants and included in the report on supply for 1962-63 which would have been tabled as final supplementary estimates for 1962-63 had parliament been sitting.
[3]This total is the amount appropriated for 1962-63 and is $45.0 million less than the sum of the tabled estimates and the final supplementary estimates for 1962-63.
[4]This total is the amount appropriated for 1957-58. It is $71.7 million less than the amount of the tabled estimates due to year-end financing by governor general's warrants.

Main Estimates Tabled

TABLE II

BUDGETARY ESTIMATES OF STATUTORY EXPENDITURES
FOR 1966-67 AS COMPARED WITH THOSE FOR 1965-66

(in millions of dollars)

	Submitted 1966-67	Approved 1965-66	Change
Civil Departments—			
Public Debt Charges	1,185.5	1,101.1	84.4
Subsidies and Special Compensation to Provinces	495.0	358.2	136.8
Family Allowances Payments	559.5	553.0	6.5
Youth Allowances Payments	49.0	46.5	2.5
Payments to Provinces under Hospital Insurance and Diagnostic Services Act	382.7	484.0	−101.3
Old Age Assistance	20.7	45.7	−25.0
Allowances for the Blind and Disabled	18.2	29.3	−11.1
Major Pensions, Superannuation and Other Benefits	97.4	83.8	13.6
Contribution to Unemployment Insurance Fund	66.7	62.5	4.2
Unemployment Assistance	109.0	115.0	−6.0
Trans-Canada Highway Contributions	52.6	50.0	2.6
Subsidy to C.N.R. for railway to Great Slave Lake	3.0	16.0	−13.0
Forgiveness of indebtedness—Municipal Development and Loan Board	50.0	70.0	−20.0
Payment of (1) carrying costs of storing Temporary Wheat Reserves (2) administering the Prairie Grain Advance Payments Program	40.4	31.8	8.6
University Grants	28.2	27.7	0.5
Atlantic Development Fund	32.0	25.0	7.0
Maritime Trunk Highway Program	10.0	10.0	—
Emergency Gold Mining Assistance	13.8	14.3	−0.5
Subventions on Movements of Coal	22.5	22.5	—
East West Railway Bridge Subsidy	7.0	7.0	—
Railway Grade Crossing Fund (statutory portion only)	5.0	5.0	—
Judges' Salaries	7.6	7.4	0.2
Parliamentary Indemnities	6.9	6.8	0.1
Yukon and Northwest Territories—tax rental payments	6.1	5.5	0.6
Employment Incentives	10.0	—	10.0
Payments under Fitness and Amateur Sport Act	5.0	5.0	—
Sundry Items	11.8	6.2	5.6
Defence Departments—			
Major Pensions, Superannuation and Other Benefits	79.5	67.3	12.2
	3,375.1	3,256.6	118.5

TABLE III

MAIN ESTIMATES FOR 1966-67
COMPARED WITH MAIN ESTIMATES FOR 1965-66

(in millions of dollars)

	Administration and Operation		Buildings, Works and Equipment		Grants, Subsidies and Other Items		Total Estimates	
	1967-67	1965-66*	1966-67	1965-66*	1966-67	1965-66*	1966-67	1965-66*
Agriculture	79.6	73.0	25.1	33.4	22.3	15.4	127.1	121.8
Atomic Energy	46.9	40.7	10.3	13.0	2.0	1.6	59.2	55.3
Auditor General's Office	1.8	1.8	—	—	—	—	1.8	1.8
Board of Broadcast Governors	0.5	0.4	—	—	—	—	0.5	0.4
Canadian Broadcasting Corporation	2.8	2.4	—	—	110.6	97.0	113.5	99.4
Chief Electoral Officer	0.2	0.2	—	—	—	—	0.2	0.2
Citizenship and Immigration	53.9	40.9	—	0.4	191.7	118.3	245.7	159.5
Civil Service Commission	8.1	7.1	—	—	—	—	8.1	7.1
Dominion Bureau of Statistics	26.1	15.7	—	—	—	—	26.1	15.7
External Affairs—								
Department	36.2	30.9	3.1	2.3	111.3	100.0	150.6	133.2
International Joint Commission	0.4	0.2	—	—	—	—	0.4	0.2
Finance	196.3	154.5	0.2	0.5	1,783.0	1,561.4	1,979.5	1,716.4
Fisheries	28.4	22.8	7.8	4.9	3.2	1.9	39.5	29.6
Forestry	15.1	10.7	4.7	4.3	49.9	44.3	69.6	59.3
Governor General	0.8	0.7	—	—	—	—	0.8	0.7
Industry	50.6	31.0	—	—	—	—	50.6	31.0
Insurance	1.0	1.0	—	—	—	—	1.0	1.0
Justice	12.7	11.9	—	—	—	—	12.7	11.9
Labour	9.0	8.2	—	—	1.5	—	10.5	8.2
Legislation	15.0	14.0	—	—	—	—	15.0	14.0
Mines and Technical Surveys—								
Department	44.0	38.9	14.0	8.2	31.5	31.1	89.5	78.2
Dominion Coal Board	0.2	0.2	—	—	22.5	15.5	22.7	15.7
National Energy Board	1.1	1.0	—	—	—	—	1.1	1.0
National Film Board	6.8	6.3	0.5	0.4	—	—	7.3	6.7
National Gallery of Canada	1.9	1.5	—	—	—	—	1.9	1.5
National Health and Welfare	56.0	50.8	3.8	5.3	1,202.9	1,334.7	1,262.7	1,390.8
National Research Council, including the Medical Research Council	33.5	28.0	7.1	6.7	45.5	34.2	86.1	68.9
National Revenue	94.6	92.0	—	—	—	—	94.6	92.0
Northern Affairs and National Resources	119.8	103.0	58.6	43.5	6.3	5.7	184.6	152.2
Post Office	252.8	221.3	—	—	—	—	252.8	221.3
Privy Council—								
Privy Council Office	4.4	4.3	—	—	—	—	4.4	4.3
Economic Council of Canada	1.2	1.0	—	—	—	—	1.2	1.0
Public Archives and National Library—								
Public Archives	1.3	1.1	—	—	—	—	1.3	1.1
National Library	0.9	0.7	—	—	—	—	0.9	0.7
Public Printing and Stationery	4.7	3.4	—	—	—	—	4.7	3.4
Public Works—								
Department	99.8	90.5	81.9	76.0	52.8	50.2	234.5	216.7
National Capital Commission	7.3	6.8	18.4	12.1	—	—	25.7	18.9
Secretary of State—								
Department	10.0	8.0	7.5	—	28.2	27.2	45.8	35.2
Centennial Commission	12.8	8.2	—	—	13.0	9.0	25.8	17.2
Office of the Representation Commissioner	0.2	0.6	—	—	—	—	0.2	0.6

Solicitor General—								
Office of the Solicitor General	0.6	0.1	—	—	—	—	0.6	0.1
Correctional Services	34.8	28.2	29.0	25.6	—	—	63.7	53.8
Royal Canadian Mounted Police	81.1	72.0	5.6	3.9	—	—	86.6	75.9
Trade and Commerce—								
Department	40.9	34.7	0.3	0.1	—	—	41.2	34.8
Transport—								
Department	153.5	144.4	117.0	104.0	38.4	47.8	308.9	296.2
Air Transport Board	0.8	0.8	—	—	—	—	0.8	0.8
Board of Transport Commissioners	1.6	1.6	—	—	22.0	21.0	23.6	22.6
Canadian Maritime Commission	0.5	0.4	—	—	30.7	33.5	31.2	33.9
National Harbours Board	—	—	5.7	5.3	0.3	—	6.0	5.3
St. Lawrence Seaway Authority	2.5	2.7	—	—	—	—	2.5	2.7
Atlantic Development Board	1.4	0.9	—	—	42.0	35.0	43.4	35.9
Unemployment Insurance Commission	35.4	32.7	—	—	66.7	62.5	102.1	95.2
Veterans Affairs	68.8	67.1	5.1	3.0	295.6	294.7	369.5	364.8
TOTAL—CIVIL DEPARTMENTS	1,760.6	1,521.3	405.7	352.9	4,173.9	3,942.0	6,340.2	5,816.1
Defence Production—								
Department	21.3	17.4	4.8	2.2	—	—	26.1	19.6
Emergency Measures Organization	3.0	2.7	2.2	1.8	5.4	5.2	10.6	9.7
Crown Companies	0.4	4.1	0.4	0.2	—	—	0.8	4.3
National Defence	1,224.0	1,235.0	327.5	290.1	21.2	24.9	1,572.7	1,550.0
TOTAL—DEFENCE DEPARTMENTS	1,248.7	1,259.2	334.9	294.3	26.6	30.1	1,610.2	1,583.6
TOTAL—BUDGETARY ESTIMATES	3,009.3	2,780.5	740.6	647.2	4,200.5	3,972.1	7,950.4	7,399.7

(Details do not necessarily add to totals, due to rounding).

*These figures differ from those shown in the 1965-66 column of the 1966-67 Blue Book in that the amounts of the Supplementary Estimates, 1965-66 are not included.

23033—73

Tabling of Reports

Mr. Benson: I move that the message of His Excellency, together with the estimates presented this day, be referred to the committee of supply.

Hon. J. W. Monteith (Perth): Naturally, Mr. Speaker, it is very hard to comment on these estimates at any great length today, they just having been tabled. I should like to mention that they seem to be going up, up and up all the time.

Mr. Diefenbaker: Just like the cost of living.

Mr. Monteith: The minister said how these expenditures will have to be paid for will be learned when the budget comes down. We will be interested to know how the people of Canada are going to be asked to pay for this $7,950 million plus the $332 million odd for various loans and allowances. The minister failed to mention the amount estimated for the Canada assistance plan. He indicated that important items are to follow, and that there are changes in the form of the estimates which will make it very difficult at this moment to compare them with others.

We shall be interested when the Minister of Finance brings down the budget to learn how we are going to meet these huge expenditures.

Motion agreed to.

MARITIME UNION TRUSTEES

TABLING OF ANNUAL REPORT FOR 1965

Hon. J. R. Nicholson (Minister of Labour): I wish to table two copies in English and two copies in French of the annual report of the board of trustees for the maritime transportation unions for the period January 1, 1965 to December 31, 1965.

[*Later:*]

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I also have a question for the Minister of Labour arising out of his tabling earlier today of the annual report of the maritime trustees. Has the minister copies of the report available in sufficient quantity for distribution to members of the house?

Mr. Nicholson: Mr. Speaker, I understand additional copies are being run off today and I hope they will be available within a day or two.

[Mr. Speaker.]

BRIDGES

SAINT JOHN—TABLING OF PRESS RELEASE ON SAINT JOHN THROUGHWAY COMPLEX

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I ask permission of the house to table a joint federal-provincial press release on the subject of the Saint John harbour bridge throughway complex. This release was given to the press in Fredericton on Friday, February 11, 1966.

It will be recalled that the Prime Minister, in a press release of February 10, 1965, announced the government's intention to seek parliamentary approval for the provision of special assistance to the bridge portion of this project. The bridge has long been considered an essential link in a trunk highway system, particularly as a connection between the Atlantic region and New England. This assistance was to involve an agreement between the federal government and the other parties involved whereby funds would be advanced annually by the federal government to cover the difference between toll revenues and operating costs. These advances would be recovered in subsequent years when toll revenues become adequate for that purpose.

The expenditure on the bridge to date has been made on the basis of an approval of the project by the municipal development loan board, which is providing a loan of $3,800,000. Completion of the bridge proper is estimated to cost not less than $17,100,000.

It did not prove possible during the last session to bring the matter before the house. Moreover, during the latter part of 1965 it became apparent that the costs of the bridge and the throughway were going to be considerably greater than the original estimate and that there was some question locally as to whether the location and type of bridge and throughway originally proposed were the most satisfactory. Consequently it became necessary in December to call a halt to all new work on the project pending a comprehensive reassessment by a committee of federal and provincial experts supported by outside consultants.

The committee has now reported, and each government has accepted those recommendations pertaining to it. The main recommendation affecting the federal government is that the bridge proceed basically along the lines originally planned. The federal government has informed the Saint John Bridge Authority of this acceptance and that the federal

government will guarantee to cover the annual deficits on the bridge through advances, subject to approval by parliament.

It is therefore our intention to seek from parliament at any early date the necessary authority for this guarantee.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Was there a suggestion, Mr Speaker, that the press release be directed to *Hansard* for inclusion in the record of today's proceedings? I do not think press releases should be so incorporated. It is a bad precedent.

Mr. Speaker: It was my understanding that the hon. gentleman asked leave to table it.

Mr. Sharp: I sought approval to table the press release; I did not mean to have it incorporated in the record.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PRINTING BUREAU INVENTORIES

Question No. 65—**Mr. Irvine:**

1. Does the Canadian Government Printing bureau make any annual inventory of supplies, machinery, parts, other equipment and stocks?
2. Who conducts any such inventories and to whom are the findings reported?
3. In the past five calendar or fiscal years, what has been the result of such stock and equipment inventories?

Questions

4. What has been the nature and the dollar value of any "short falls", in (a) paper and other stocks (b) equipment (c) tools?

Hon. C. M. Drury (Minister of Industry): 1. Yes, up to the end of 1963-64 fiscal year, the Canadian government printing bureau was making annual inventories on the following items: Paper, Printing supplies, Maintenance parts, Stationery supplies, Office machine parts, New equipment (office machine section), Plant equipment (also in 1964-65).

In 1964-65 the Canadian government supply service had the responsibility for the following inventories: Paper, Printing supplies, Maintenance parts, Stationery supplies, Office machine parts, New equipment (office machine section).

2. The CGPB inventories are conducted by officers in charge of plants and divisions and internal auditors. The findings are reported to the Comptroller, Financial Services. The procedure is reviewed by the Auditor General's representative.

The CGSS stocktaking is conducted by the stores supervisor or district supervisors and internal auditors. The findings are reported to the Comptroller, Department of Defence Production. The operation is carried out under the surveillance of the resident Auditor General's representative.

3 and 4. Variances between physical and book value on inventories are:

	1961	1962	1963	1964	1965
Paper	$ 2,285+	$ 269+	$ 4,809+	$ 5,929+	$4,488.10+
Printing supplies	2,813+	5,544+	2,255+	9,689+	495.32+
Maintenance parts	—	1,130—	1,744+	382+	616.30+
Stationery supplies	2,320—	5,528+	11,002+	811+	2,325.16—
Office machine parts	3,128+	637+	379+	3,020+	1,546.00—
New equipment (O.M.S.)	—	15—	703+	8+	nil
Plant equipment	nil	nil	nil	nil	63—
Total	5,906+	10,833+	20,892+	19,839+	1,665.56+

The above unfavourable variances are in the nature of a normal stores operation. For example, the most significant variation stationery supplies 1961, $2,320, is less than 1/10 of 1 per cent of the value of stationery issues. Audit reports covering the unfavourable variances do not record marked discrepancies on individual stores items. Such variances may arise in the counting or measuring of small parts or in the rounding of unit rates.

DR. SYLVESTER DRABIT

Question No. 80—**Mr. Howe (Hamilton South):**

1. Was Dr. Sylvester Drabit ever employed by the Department of National Health and Welfare?
2. Is Dr. Drabit now in the employ of the Department of National Health and Welfare and, if not, what was the reason for his departure?

Hon. A. J. MacEachen (Minister of National Health and Welfare): 1. Yes.

2. Yes.

Questions

MANPOWER MOBILITY PROGRAM LOANS AND GRANTS

Question No. 82—**Mr. Howe (Hamilton South):**

1. In each province, how many (a) loans, and (b) grants, have been made under the Manpower Mobility Program?
2. In each province, what was the date of the first such (a) loan, and (b) grant?
3. In each province, what has been the average (a) loan, and (b) grant?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): 1. Loans and grants issued under manpower mobility program:

Province	(a) Loans	(b) Grants
Quebec	3	..
Ontario	10	9
Saskatchewan	1	..
British Columbia	1	..
Total	15	9
Other provinces	Nil	Nil

2. Dates of issue of first loan and grant:

Province	(a) Loans	(b) Grants
Quebec	Jan. 13/66	..
Ontario	Jan. 7/66	Dec. 30/65
Saskatchewan	Jan. 12/66	..
British Columbia	Jan. 13/66	..

3. Average loan and grant issued:

Province	(a) Loan	(b) Grant
Quebec	$116.67	..
Ontario	490.00	$590.81
Saskatchewan	275.00	..
British Columbia	189.40	..

MAIL TRANSPORT, TORONTO-HAMILTON

Question No. 83—**Mr. Howe (Hamilton South):**

1. At what times in each day is mail of all classes transported from Hamilton to Toronto?
2. At what times in each day is mail of all classes transported from Toronto to Hamilton?
3. Was consideration given to the institution of day-time dispatches (a) from Hamilton to Toronto, and (b) from Toronto to Hamilton and, if so, what decision was reached?
4. Since June, 1965, has there been any change in the mail schedule between (a) Hamilton and Toronto, and (b) Toronto and Hamilton?

Hon. Jean-Pierre Côté (Postmaster General): 1. 12:50 A.M., 6:30 A.M., 7:50 A.M., 6:40 P.M., 7:40 P.M., 9:10 P.M., 9:25 P.M., 10:50 P.M.

2. 12:30 A.M., 1:45 A.M., 5:00 A.M., 5:15 A.M., 8:30 A.M., 10:30 A.M., 5:20 P.M., 8:05 P.M., 10:45 P.M., 11:45 P.M.

3. (a) Consideration was given during the summer of 1965 to the institution of a day time dispatch from Hamilton to Toronto. It was found that it would not be practicable to schedule a service to collect, process and transfer mail to arrive in Toronto in sufficient time for afternoon delivery.

(b) As with 3 (a) it would not be practicable to schedule a service to collect, process and transfer mail from Toronto to arrive in Hamilton in sufficient time for afternoon delivery. A day-time service is presently in effect which leaves Toronto at 10:30 A.M. and arrives in Hamilton at 1:10 P.M. However, the primary purpose of this service is to convey mails from Toronto international airport to post offices between Toronto and Hamilton.

4. (a) Effective June 20th 1965, one additional service from Hamilton to Toronto was established leaving Hamilton at 7:40 P.M.

(b) Effective June 20th 1965, one additional service from Toronto to Hamilton was established leaving Toronto at 10:45 P.M.

Minor adjustments in arrival and departure times have been made from time to time to coincide with changes in railway and air line schedules.

CHARLOTTETOWN—IMPROVEMENT OF AIRPORT FACILITIES

Question No. 96—**Mr. Macquarrie:**

1. When is it intended to commence construction of new and larger terminal facilities at the Charlottetown airport?
2. What additions to the present runways are contemplated?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1 and 2. No decision has been made by the government.

APPOINTMENTS TO PERSONAL STAFF, PRIVY COUNCIL PRESIDENT

Question No. 111—**Mr. Ormiston:**

What are the names, classifications and salaries of all civil service personnel and personnel appointed by order in council which have been on the personal staff of the President of the Privy Council since July 9, 1965?

Hon. Guy Favreau (President of the Queen's Privy Council):

Name	Classification	Salary	Date of Appointment
Mr. Andre Ouellet	Executive assistant	$12,000	July 7, 1965
Mr. J. K. Spicer	Special assistant	12,000	July 7, 1965 (Terminated October 1, 1965)
Miss M. P. C. Viau	Private secretary	7,500	July 7, 1965
Mrs. J. Roy	Head clerk	6,143	January 17, 1966
Miss M. M. Ducharme	Assistant private secretary	5,600	July 7, 1965
Mrs. M. T. Roy	Secretary to executive	5,304	September 1, 1966
Mr. J. L. Bergeron	Clerk, grade 4	5,054	July 7, 1965
Mr. J. C. Belanger	Clerk, grade 3	4,524	July 7, 1965
Miss J. C. Pilgrim	Clerk, grade 2	3,526	July 7, 1965

COST OF ICE CONTROL STRUCTURE, EXPO '67

Question No. 161—**Mr. Coates:**

1. What is the estimated cost of the ice control structure being constructed in connection with Expo '67 in the St. Lawrence river?
2. What was the initial estimated cost of this project, and of this initial cost what was the federal government's share?
3. What is the reason for the increase in the cost of this project if such an increase is indicated?

Hon. G. J. McIlraith (Minister of Public Works): 1. It was necessary to build an ice control structure in the St. Lawrence river as the result of the enlargement of St. Helens and other associated islands by the city of Montreal. The estimated cost is $16,300,000 including engineering, of which $13,800,000 will be the federal government share.

2. $13,000,000 including engineering, of which the federal government share was estimated at $10,500,000.

3. General increase in construction prices since the original estimate was prepared and an underestimation of the cost of electrical and mechanical requirements.

MINERAL REVENUES FROM B.C. INDIAN RESERVES

Question No. 180—**Mr. Howard:**

1. Since the coming into force of the British Columbia Indian Reserves Mineral Resources Act, has the Receiver General of Canada received any revenue from the government of the province of British Columbia as provided in the said act, and if so, for each calendar year what was (a) the amount of the revenue and (b) the name of the Indian band and reserve to which each such amount, by year, applies?
2. Has the said provincial government failed or neglected to collect any revenues as provided in the said act and, if so, in which years and what amount was involved in each such year?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. Yes, $6.25 was received in 1955 covering 50 per cent of fees collected with respect to a mining claim on Scamakounst Indian reserve No. 19 of the Kincolith band and $3.75 was received covering 50 per cent of the licence fees on claims on Creston Indian reserve No. 1 of the Lower Kootenay band. There are no active mines or claim developments on reserves to which the British Columbia mineral resources act applies.

2. Records do not show any failure on the part of the government of British Columbia to collect any revenue under the said act.

AIR TRAFFIC CONTROL PERSONNEL

Question No. 218—**Mr. Mather:**

1. Is there a fully adequate number of air traffic control personnel at all major Canadian airports commensurate with the safety of air passengers?
2. Are air traffic control personnel in any areas now working seven days weekly?
3. Do staff and facilities exist for the operation and maintenance of secondary radar equipment in the Winnipeg area?
4. What has been the increase in air traffic at Montreal international airport in the last two years (1964 to date)?
5. What has been the increase in the number of air traffic control personnel in that period?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. Yes.

2. Air traffic control personnel in Canada may work a shift each day for seven consecutive days followed by two or more days off.

3. Yes.

4. In 1964 and 1965, the total aircraft movements at Montreal international airport were 176,055 and 211,117 respectively, or a total increase of 35,062 movements.

5. None. Although the approved establishment has remained unchanged at 84, there has been a decrease in complement from 71 to 64, due largely to promotions and resignations. However, as is done elsewhere in Canada when necessary, the safety of air passengers is assured through the use of overtime.

Questions

CANADA-U.S. FOREST PRODUCTS PACT

Question No. 268—**Mr. Douglas:**

1. Has the government initiated or participated in any discussions that could lead to a Canadian-United States forest products pact similar to the present Canada-United States automotive agreement?

2. If so, where, when and with whom were such discussions held?

Mr. C. M. Drury (Minister of Industry): The Department of Industry is actively looking into all possible means of expanding production and trade in Canadian secondary products, including forest products. The question of reducing barriers to trade on these and other products is also being discussed at Geneva by the respective GATT delegations.

CONFERENCE ON SECOND TRANS-CANADA HIGHWAY

Question No. 271—**Mr. Lambert:**

1. Has the Government of Canada during the calendar year 1965 been in touch with any of the Governments of the Provinces of Manitoba, Saskatchewan, Alberta and British Columbia with regard to the construction of a second highway of Trans-Canada standard from Winnipeg to the Pacific coast via Saskatoon, Edmonton and the Yellowhead Pass?

2. If so, what has been the nature of the correspondence or conversations, and with whom?

3. Has any further consideration been given to the calling of a joint conference between the Government of Canada and the four provincial governments in question with respect to the construction of such a highway and what are the views of the Government of Canada as to the advisability of such a conference at an early date?

Hon. G. J. McIlraith (Minister of Public Works):

1. No.

2. Not applicable.

3. No. The review by the tax structure committee of the various federal-provincial fiscal policies seems to make such a conference inadvisable.

PAYMENTS MADE UNDER THE WINTER WORKS INCENTIVE PROGRAM TO EVERY MUNICIPALITY IN VILLENEUVE

Question No. 280—**Mr. Caouette:**

1. How many projects are being undertaken under the Winter Works Program in each municipality of the county of Villeneuve during the Winter of 1966?

2. What is the cost of each project?

3. Which projects were rejected?

Mr. John C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): 1. Arntfield 1; Beaudry 4; Bellecombe 1; Bourlamaque 1; Cloutier 3; Duparquet 1; Evain 2; La Motte 1; Malartic 1; Noranda 9; Remigny 2; Rollet 2; Roulier 1; Rouyn 8; Val d'Or 7.

2. See attached list.

3. Nil.

Municipal Winter Works Incentive Program 1965-66 Accepted Projects—Province of Quebec, County of Villeneuve

Project Number	Municipality	Total Cost In Period	Estimated Federal Share
		$	$
Que. 1292	Arntfield	5,000	2,500
Que. 1285	Beaudry	5,900	2,500
Que. 1286	Beaudry	7,400	3,500
Que. 1287	Beaudry	6,000	3,000
Que. 1288	Beaudry	6,350	3,000
Que. 1293	Bellecombe	8,000	4,000
Que. 720	Bourlamaque	50,000	14,000
Que. 1308	Cloutier	15,000	5,000
Que. 1309	Cloutier	5,656	2,500
Que. 1310	Cloutier	2,350	1,100
Que. 1478	Duparquet	10,000	5,000
Que. 673	Evain (village)	3,500	1,750
Que. 1549	Evan (W.D.)	60,314	20,230
Que. 815	La Motte	35,000	17,500
Que. 1122	Malartic	100,000	40,000
Que. 390	Noranda	9,955	1,450
Que. 391	Noranda	14,000	6,000
Que. 403	Noranda	2,800	950
Que. 404	Noranda	425,000	62,500
Que. 405	Noranda	400,000	50,000
Que. 408	Noranda	1,680	550
Que. 471	Noranda	80,000	5,000
Que. 406	Noranda	45,645	14,750
Que. 407	Noranda	15,200	5,380
Que. 1283	Remigny	10,000	5,000
Que. 1284	Remigny	22,000	8,500
Que. 1289	Rollet	9,650	4,250
Que. 1290	Rollet	13,660	6,000
Que. 1291	Roulier	10,000	5,000
Que. 1650	Rouyn	7,975	2,100
Que. 1651	Rouyn	18,000	7,500
Que. 1652	Rouyn	1,101	300
Que. 1653	Rouyn	1,780	511
Que. 1654	Rouyn	4,416	989
Que. 1655	Rouyn	2,975	604
Que. 1656	Rouyn	25,630	8,313
Que. 1782	Rouyn	9,100	2,400
Que. 1015	Val D'Or	1,100	500
Que. 1016	Val D'Or	9,000	4,000
Que. 1017	Val D'Or	5,300	2,500
Que. 1018	Val D'Or	14,000	6,700
Que. 1019	Val D'Or	7,500	2,500
Que. 1020	Val D'Or	7,000	3,350
Que. 1021	Val D'Or	2,000	500
	TOTALS	$1,496,937	$343,677

[Mr. Byrne.]

TOTAL COST OF WINTER WORKS IN CANADA

Question No. 283—**Mr. Caouette:**

1. What was the total cost of Winter Works Programs in Canada during 1965?

2. What is the value of the federal government's contribution?

3. Has the government fully discharged this obligation?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): 1. Information on the Municipal Winter Works Incentive Program is not compiled on a calendar year or fiscal year basis but rather on the basis of program periods. The federal incentive payment under the program is based on the direct payroll costs incurred on authorized projects, and the total costs of such projects are not reported on claims submitted by the municipalities through the provinces. However, based on estimates provided by the municipalities, the total cost of projects carried out during the program period November 1, 1964 to April 30, 1965 was about $200,000,000.

2. For the program period 1964-65, claims of the municipalities received as at February 3, 1966 totaled $39,258,753.24. It is estimated that claims amounting to approximately $1,113,000 have not yet been submitted by the provinces.

3. For the program period 1964-65, of the claims received as at February 3, 1966 totalling $39,258,753.24 payments have been made to the provinces in the amount of $38,837,-364.21. Claims recently received and being processed for payment total $421,389.03.

SALES OF ORENDA JET ENGINES

Question No. 285—**Mr. Hales:**

1. How many Orenda jet engines has the Crown Assets Disposal Corporation sold in the calendar year 1965?

2. To whom were they sold?

3. What price was received in each case?

4. What was the complete original cost of these engines?

5. Why were they purchased originally?

6. Why were they sold?

Hon. C. M. Drury (Minister of Industry): In so far as Crown Assets Disposal Corporation is concerned, the answer is as follows:

1. Sixty five Orenda jet engines were sold by Crown Assets Disposal Corporation in the calendar year 1965.

Questions

2 & 3 Purchasers name	Quantity	Price Received
Carleton University, Ottawa, Ontario	1-A	$ 200.00
Airwork Services Training, Perth, Scotland	1-A	175.00
Toronto Board of Education, Toronto, Ontario	1-A	150.00
Junction Salvage Company, Toronto, Ontario	10-B	1,292.87
Orenda Division of Hawker Siddeley Canada Limited, Malton, Ontario	10	15,000.00
Continental Aluminum Smelting Company, Whitby Ontario	41-B	6,864.00
National Salvage Company, Lethbridge, Alberta	1-B	41.00
	65	$23,722.87

A-Denotes instructional cut away engines.

B-Denotes Orenda engines sold as scrap and mutilated before delivery to purchasers.

The following information is supplied by Hon. Paul Hellyer, Minister of National Defence.

4 and 5. The Orenda jet engine was procured to provide the power package for the CF-100 and Sabre aircraft at a cost of $60,000 per engine.

6. The number of Orenda engines sold during 1965 represented an accumulation of failed or time expired engines surplus to overall defence requirements.

REMOVAL OF SALES TAX ON BUILDING MATERIALS

Question No. 286—**Mr. Hales:**

Is the government considering removing the 11% sales tax on building materials and, if not, is the government considering removing this tax from such buildings as YMCA-YWCA, church, or other civic buildings built by public subscriptions?

Hon. Mitchell Sharp (Minister of Finance): Representations on this matter, as well as on a wide range of other tax subjects, are being studied during the preparation of the budget.

PRINTING OF VOTERS LISTS, NEW WESTMINSTER

Question No. 316—**Mr. Mather:**

1. During the federal elections of 1962, 1963 and 1965, what printers by name, were given the printing of voters lists in New Westminster constituency?

2. How many voters list names did each receive in each of these elections?

3. How much payment did each receive?

Questions

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Chief Electoral Officer as follows:

New Westminster

Printers	Electors on Lists	Payment received
1962		
White Rock Printers and Publishers Ltd	8,447	1,680.94
Adanac Printers	10,389	1,863.88
Kerfoot-Holmes Printing Ltd	9,323	1,837.94
The Columbian Co. Ltd (Craftsman Printers)	29,598	5,831.96
Dunning Press Ltd	7,494	1,330.93
The Langley Press	11,286	2,049.14
1963		
Pacific Canadian Printers Ltd	5,371	1,112.28
White Rock Printers and Publishers Ltd	12,836	2,707.89
Kerfoot-Holmes Printing Ltd	13,195	2,445.37
The Newton Graphic	2,384	453.24
Gilbert Printing Co.	13,828	2,896.10
The Columbian Co. Ltd (Craftsmen Printers)	14,035	2,924.08
Dunning Press Ltd	7,945	1,442.33
The Langley Press	9,008	1,699.81
1965		
Pacific Canadian Printers Ltd	6,232	1,308.09
Fraser Printers Ltd	5,589	1,168.23
White Rock Printers and Publishers Ltd	6,143	1,286.51
Gilbert Printing Co.	5,406	1,145.25
Jackson Printing Co. Ltd	20,271	4,207.19
The Columbian Co. Ltd (Craftsmen Printers)	21,492	4,516.88
The Langley Press	9,059	1,709.43
Dunning Press Ltd	9,358	1,558.11

*LETTER CARRIER SERVICE, SELKIRK, MAN.

Question No. 318—**Mr. Stefanson:**

When will letter carrier service be implemented for the residents of the town of Selkirk, Manitoba?

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): As already announced, the letter carrier service in the Town of Selkirk, Manitoba, will be implemented as soon as 80 per cent of the residents who are to benefit therefrom put up mailboxes at their doors.

[*English*]

PRINTING BUREAU EMPLOYEES DOING PRIVATE WORK

Question No. 329—**Mr. Irvine:**

1. Are any employees of the Canadian government printing bureau engaged in the private printing business and, if so, who are they and under what firm is such business being operated in each instance?

2. Was any investigation conducted to establish whether any printing bureau equipment is being used, or has been used, in connection with the conduct of such private businesses and, if so (a) what were the results of such investigation (b) in what business or businesses is or was such equipment used and under what authority?

3. Have any of the employees of the printing bureau been engaged in performing private printing services for themselves or others, using printing bureau equipment and materials on printing bureau time and, if so, what are the names of such employees and their supervisors?

4. What such services were so printed and on whose authority?

Hon. C. M. Drury (Minister of Industry): 1. Twelve employees of the Canadian government printing bureau are members of a small investment syndicate (which has a total of 21 members), to which each member makes monthly contributions. Syndicate funds are invested in second mortgages, stocks, and real estate, and include a three fifths ($\frac{3}{5}$) interest in a commercial printing firm, Imprimerie Gasparo Ltée, Hull, Quebec. Three of the employees serve as directors of the company, but otherwise none is actively engaged in the operations of the firm. The names of the

employees are Yves Bergevin, Roger Cousineau, Roger DeGagné, Fernand Groulx, Gaston Hould, Claude Marcotte, Maurice Marcotte, Marcellin Marquis, Léo Normand, Edward Phillips, Claude Bérubé, and Raymond Côté.

2. Yes. An investigation was conducted, the results of which disclosed that no CGPB equipment has been nor is being used in the private business mentioned in one.

3 and 4. Yes. In 1964, three employees of the London, Ontario, outside printing unit of the CGPB performed private printing services for others using printing bureau multilith equipment to produce two issues of News and Views of the Department of Veterans Affairs local employee welfare association. This work, valued at a total of $260 was performed by Messrs. E. M. Hyde, G. Gore and Mrs. V. Potter, without authority.

MONEY LENDERS SYNDICATE, PRINTING BUREAU

Question No. 330—**Mr. Irvine:**

1. Does there exist a "money lenders syndicate" operated by Canadian government printing bureau employees or others on printing bureau premises?

2. If so (a) has there been an investigation conducted by the R.C.M.P., or otherwise, into the existence of a "money lenders syndicate" operated by printing bureau employees or others on printing bureau premises and what are the results of such investigation (b) have any persons been charged under the provisions of the Criminal Code with any offence arising out of such investigation and what is or are the name or names of such person or persons (c) if no formal charges were laid, has any other disciplinary procedure been taken by the bureau against any person in this connection and, if so, by whom and against whom was such disciplinary procedure so taken (d) if such investigation has been conducted, does it disclose that such syndicate does exist for the purpose of lending money to printing bureau employees and are such loans made at excessive interest rates?

Hon. C. M. Drury (Minister of Industry): 1. The Department of Public Printing and Stationery, on 12 July 1962, authorized the establishment of a credit union (Caisse Populaire) in the building occupied by the Canadian government printing bureau. This organization is operated, outside of working hours, by and for the employees. The employees have only forty-five minutes for lunch and the Caisse Populaire enables them to use properly controlled facilities for savings and loans.

2. No.

PRINTING BUREAU—SALE OF STOLEN GOODS

Question No. 331—**Mr. Irvine:**

Since January, 1962, were any stolen goods sold in any of the buildings housing the operations of the Canadian government printing bureau to any of the employees of the said bureau and, if so (a) specifically, were any stolen television sets, tape recorders or transistor radios sold to any of the employees of the printing bureau on premises occupied by the printing bureau (b) was any investigation conducted into dealings or transactions in stolen goods by printing bureau employees to printing bureau employees on printing bureau premises and who conducted such investigation and what were its findings (c) were any printing bureau employees interviewed or questioned in connection with such investigation or in connection with such dealings or transactions in stolen goods on printing bureau premises (d) were any printing bureau employees arrested, charged, suspended or dismissed either as a result of such investigation or of independent action taken by printing bureau officials in connection with dealings and transactions in such stolen goods (e) if any employees were so arrested, charged, suspended or dismissed, what were their names, for what offence or offences was such action taken, was there a trial or a hearing in each such case, are any such employees still employed with the printing bureau and, if so, who are they and in what positions are they employed?

Hon. C. M. Drury (Minister of Industry): (a) There were allegations to this effect, but they could not be substantiated. (b) Yes. An investigation was conducted by the management in conjunction with local police authorities, but no definite proof of such actions obtained. (c) Yes. (d) No. (e) No.

BRIDGES OVER OTTAWA RIVER

Question No. 336—**Mr. Bell (Carleton):**

1. Has the Department of Public Works and/or the National Capital Commission developed any plan for the early commencement of highway bridges over the Ottawa river at (a) Deschenes rapids (b) Lemieux island?

2. If so, what is the anticipated date of commencement of construction for each of such bridges?

3. What is the estimate of the total cost of the erection of each of these bridges?

4. What share of the total cost of each of these bridges is it proposed that the governments of Ontario and Quebec and the Corporation of the City of Ottawa should bear?

5. What discussions or negotiations have been undertaken with the governments of Ontario and Quebec and the Corporation of the City of Ottawa, and with what result?

Hon. G. J. McIlraith (Minister of Public Works): 1. Plans for these highway bridges can only be developed after there is agreement by the federal and provincial governments concerned.

2 and 3. Not applicable.

4. The sharing of the cost is a matter for agreement by the governments of Canada, Ontario and Quebec.

5. Correspondence is being carried on with the provinces and discussions are being held with the city of Ottawa.

GRAZING AND HAY PERMITS, RIDING MOUNTAIN PARK

Question No. 365—**Mr. Mandziuk:**

1. How many grazing permits were issued in the Riding Mountain national park in 1965 and what were the fees charged?

2. How many hay permits were issued for the Riding Mountain national park in 1965 and what were the fees charged?

3. What grazing permit fees and hay cutting fees will be charged in 1966.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. Fifty five grazing permits were issued. The following fees were charged: (a) For grazing permit, $1 (b) For each head of cattle, 25 cents per month; (c) For each horse not owned by a licensed livery operating in the park, 50 cents per month.

2. Forty one hay permits were issued. The following fees were charged: (a) For hay permit, $1; (b) $2.50 per ton.

3. The existing rates are currently under review and a decision will be announced well in advance of the 1966 grazing and haying season.

TENDERS FOR COAST GUARD VESSELS

Question No. 372—**Mr. MacEwan:**

1. When will tenders be called for the construciton of four new coast guard vessels?

2. Will the tenders be called on a nation-wide basis or regional basis?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1 and 2. Precise arrangements for the calling of tenders for this batch of ships have not yet been settled. Tank tests and other design studies are still in progress although it is planned to call tenders for the first ship in the series early in the new fiscal year.

SALE OF FRIGATES, HALIFAX

Question No. 374—**Mr. Muir (Cape Breton North and Victoria):**

1. With reference to six frigates located at Halifax, Nova Scotia, which were recently disposed of by Crown Assets Disposal Corporation to Lotti S.R.A. La Spezia, Italy, what was the amount actually paid for these frigates?

2. What were the names, addresses and amounts of the others who tendered?

[Mr. McIlraith.]

3. With reference to the seventh frigate involved, has it been disposed of as yet and if so, to whom and for how much and what were the names, addresses and amounts tendered by other interested parties?

Hon. C. M. Drury (Minister of Industry): In so far as Crown Assets Disposal Corporation is concerned, the answer is as follows:

1. $465,630.89.

2. Marine Salvage Limited, Port Colborne, Ontario, $429,364; Eckhardt and Company, Hamburg, West Germany, $423,000; Mitsui and Company Limited, Vancouver, B.C., $374,960; Hierros Ardes, Bilbao, Spain, $333,000; Chantiers Navals, Jos Boel and Eils, Temse, Belgium, $312,000; Cantiere Di Portovenere Spa, Genoa, Italy, $252,000; Hercules Sales, Toronto, Ontario, $233,250; American Iron and Metal, Montreal, P.Q., $216,000; Lion Steamship Company AB, Halmstad, Sweden, $187,745; Ship Supply Corporation, Brooklyn, N.Y., U.S.A., $140,778; Union Pipe and Machinery, Montreal, P.Q., $84,280; Commercial Equipment Installation, Aylmer, Ontario, $75,300; Air Cooling Corporation, Montreal, Que., $600.

3. No.

*BAIT-HERRING FISHERY, SAANICH INLET, B.C.

Question No. 375—**Mr. Groos:**

Has the government received representations from sports fishing clubs and representatives of sports fishermen's groups in the Lower Vancouver Island area, protesting against a representation which has been made to the government to allow relaxation of the commercial closure and permit a limited bait-herring fishery in Saanich Inlet, which has hitherto been closed to all commercial fishing and, if so, what response has been made to such representations?

Hon. H. J. Robichaud (Minister of Fisheries): Representations have been received protesting suggestions made to our area regional office in British Columbia to permit a limited bait-herring fishery in Saanich Inlet.

The B.C. regional office of the Department of Fisheries each year prepares a circular of suggested changes in regulations. The suggestions are those received from interested agencies and associations and do not necessarily in any way reflect the views of the department. The circular is sent for comment to all organizations known to have any interest, and to the department's fishery officers.

This particular representation made to the department has caused more than normal reaction. It is but one of a list of several suggested changes. The comments on all of these have been received and the data are

now being analysed in the area for recommendations to departmental headquarters. The final decisions on these matters are made upon the analysis of public opinion as well as the scientific data available on each subject.

MAHONE BAY, N.S., DREDGING

Question No. 390—**Mr. Crouse:**

1. Has any study or survey been made during the past two years by or on behalf of the Department of Public Works, indicating the need for dredging at Mahone Bay, Lunenburg County, Nova Scotia?

2. If so, what findings have been made?

3. What dredging is considered necessary and desirable to adequately service the shipbuilding firms in Mahone Bay?

4. What is the estimated cost of such work?

5. What is the approximate date on which dredging operations will be carried out?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes.

2. The survey report is still being studied.

3 and 4. The necessity for dredging has not yet been established.

5. Not applicable.

SENIOR OFFICERS, DEFENCE FORCES

Question No. 392—**Mr. Harkness:**

What are the names and present appointments of all officers with the rank of Rear Admiral, Major General, Air Vice Marshal, and above, now serving in the Canadian Defence Forces?

Hon. Léo Cadieux (Associate Minister of National Defence): The names and present appointments of all officers with the rank of Rear Admiral (equivalent) and above now serving in the Canadian defence forces are as follows:

Generals (equiv): A/C/M F.R. Miller, C.B.E., C.D., Chief of the Defence Staff Canadian Forces Headquarters.

Lieutenant-Generals (equiv): A/M C. R. Dunlap, C.B.E., C.D., Deputy Commander in Chief, NORAD HQ Ent Air Force Base, Colorado Springs, Colo., U.S.A.; Lt. Gen. S. F. Clark, C.B.E., C.D., (Seconded to N.C.C.) Chairman, National Capital Commission, 291 Carling Ave., Ottawa, Ont.; A/M W.R. MacBrien, O.B.E., C.D., Assistant to Chief of Staff Supreme Headquarters Allied Powers Europe, CFPO 5053; VAdm K. L. Dyer, D.S.C., C.D., Chief of Personnel Canadian Forces Headquarters; Lt. Gen. J. V. Allard, C.B.E., D.S.O., of Technical Services Canadian Forces Headquarters; Lt. Gen. J. V. Allard, O.B.E., D.S.O., E.D., C.D., Commander, Mobile Command Jacques Cartier Barracks, Longueuil, Que.; Lt. Gen. R. V. Moncel, D.S.O., O.B.E., C.D., Vice Chief of the Defence Staff Canadian Forces Headquarters; Lt. Gen. F. J. Fleury, O.B.E., E.D., C.D., Comptroller General Canadian Forces Headquarters.

Major-Generals (equiv.): A/V/M M. D. Lister, C.D., Air Officer Commanding, Air Defence Command R.C.A.F. Station St. Hubert, Que.; Maj. Gen. W. A. B. Anderson, O.B.E., C.D., Deputy Chief Reserves, Canadian Forces Headquarters; R-Adm. C. J. Dillon, C.D., Deputy Comptroller General Canadian Forces Headquarters; Maj. Gen. R. P. Rothschild, M.B.E., C.D., Commander Materiel Command, R.C.A.F. Station Rockcliffe, Ottawa 7, Ont.; R-Adm. D. W. Piers, D.S.C., C.D., Commander, Canadian Defence Liaison Staff, 2450 Massachusetts Ave., North, Washington, D.C.; Maj.-Gen. R. Rowley, D.S.O., E.D., C.D., Deputy Chief Operations Mobile Command Headquarters, Jacques Cartier Barracks, Longueuil, Que.; Maj-Gen. C. B. Ware, D.S.O., C.D., Commandant, National Defence College, Fort Frontenac, Kingston, Ont.; Maj-Gen. L. G. C. Lilley, D.S.O., C.D., Deputy Chief Engineering Canadian Forces Headquarters; R-Adm. M. G. Stirling, C.D., Maritime Commander (Pacific) Fleet Office (Mail) Victoria, B.C.; R-Adm. W. M. Landymore, O.B.E., C.D., Commander Maritime Command, Fleet Mail Office, Halifax, N.S., A/V/M W. W. Bean, O.B.E., C.D., Chief of Staff Command Group, R.C.A.F. Support Unit 4, ATAF, CFPO 5055; Maj.-Gen. H. L. Meuser, O.B.E., C.D., (Seconded to the office of the D.M.), Assistant Deputy Minister (Logistics), Department of National Defence, Ottawa, Ont.; A/V/M D. A. R. Bradshaw, D.F.C., C.D., Air Officer Commanding 1 Air Division R.C.A.F., CFPO 5052; A/V/M E. M. Reyno, A.F.C., C.D., Deputy Chief of Personnel, Canadian Forces Headquarters; A/V/M C. H. Greenway, O.B.E., C.D., Commander Northern NORAD, Region Headquarters, R.C.A.F. Station North Bay, Ont.; R-Adm. R. P. Welland, D.S.C., C.D., Deputy Chief Operations, Canadian Forces Headquarters; A/V/M M. Lipton, A.F.C., C.D. Deputy Chief Staff Operations Ent Air Force Base, Colorado Springs, Colo., U.S.A.; R-Adm. W. J. Elliot, C.D., Surgeon General, Canadian Forces Headquarters; Maj.-Gen. G. A. Turcot, C.D., General Officer Commanding, Eastern Command, Ahern Ave., Halifax, N.S.; A/V/M F. R. Sharp, D.F.C., C.D., Commander, Training Command, R.C.A.F. Station, Winnipeg, Westwin, Man.; A/V/M F. W. Ball, D.F.C., C.D., Deputy Chief Plans, Canadian Forces Headquarters; R-Adm. H. G. Burchell, C.D., Deputy Chief Logistics, Canadian Forces

Headquarters; A/V/M F. S. Carpenter, A.F.C., C.D., Deputy Command Operational Support, Mobile Command Headquarters, Jacques Cartier Barracks, Longueuil, Que.; Maj. Gen. B. F. Macdonald, D.S.O., C.D., Chief Officer, Canadian Component UNIPOM, c/o Diplomatic Mail Unit, Grand Central Station, P.O. Box 20, New York, N.Y. 11007.

COAL FOR FEDERAL BUILDING, NORWICH, ONT.

Question No. 393—**Mr. Nesbitt:**

1. What firm is at present supplying coal to the federal building at Norwich, Ontario?
2. How many tenders were received with respect to this contract, from what firms, and what was the amount of each tender?

Hon. C. M. Drury (Minister of Industry): 1. Imperialle Fuels Limited, 263 Bathurst Street, London, Ontario.

2. Two tenders were received. (1) Imperialle Fuels Limited, London, Ont., $13.70 per ton, Total $479.50; (2) Norwich District Co-operative, Norwich, Ont., $15.95 per ton, Total $558.25.

WESTERN DEUTERIUM LTD.—PLAN APPROVAL

Question No. 407—**Mr. Brand:**

1. Were the plans for a heavy water plant as submitted by Western Deuterium Limited, approved by the Engineering Design Section of Atomic Energy of Canada Ltd?
2. Did such approval necessitate the disbursements of funds on the part of Atomic Energy of Canada Ltd?
3. What amounts in public funds have been spent in design research for heavy water plants, by Atomic Energy of Canada Ltd. in each of the following years (a) 1963 (b) 1964 (c) 1965?
4. Were the plans of Western Deuterium Limited for a heavy water plant at Estevan, Saskatchewan finally disproved by Atomic Energy of Canada Ltd. and, if so (a) on whose recommendation (b) for what reason?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): 1. No.

2. N/A.

3. (a) Nil; (b) Nil; (c) Nil.

4. No.

RECIPROCAL INCOME TAX ARRANGEMENTS, CANADA-U.K.

Question No. 410—**Mr. Lambert:**

1. Is there presently in force any agreement between Canada and Britain concerning reciprocal arrangements for credits for income tax purposes?
2. If not, when did the last such agreement expire?
3. If not, are negotiations presently under way to revive such reciprocal arrangements?
4. Is it anticipated that an early convention or agreement may be reached?

[Mr. Cadieux (Terrebonne).]

Hon. Mitchell Sharp (Minister of Finance): 1. No; however, credits for British and other taxes paid abroad are provided under section 41 of the Income Tax Act.

2. The agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to income taxes signed on June 5, 1946 ceased to have effect for Canada with respect to taxation years ending in 1965.

3. No.

4. An interim agreement referring to four classes of income was signed on December 6, 1965. It is expected that this will be replaced by a further agreement of broader application after the report of the royal commission on taxation has been considered.

RETIREMENT OF R.C.A.F. JET PILOTS

Question No. 419—**Mr. Brand:**

What are the numbers of R.C.A.F. jet pilots under the age of 28, who have retired voluntarily from the R.C.A.F. in each of the following years (a) 1957 (b) 1958 (c) 1959 (d) 1960 (e) 1961 (f) 1962 (g) 1963 (h) 1964 (i) 1965?

Hon. Léo Cadieux (Associate Minister of National Defence): The total member of RCAF pilots under the age of 28 who have retired voluntarily is shown below. It is not possible to identify jet pilots separately: (a) 4 (b) 3 (c) 1 (d) 8 (e) 7 (f) 6 (g) 8 (h) 26 (i) 27.

DRUG KREBIOZEN

Question No. 420—**Mr. Harley:**

1. What is the present status in Canada of the drug krebiozen?
2. Will the recent court case in the United States, where the chief supporters of krebiozen were acquitted, have any influence on the Canadian status of this drug?
3. To the government's knowledge, is any clinical research on krebiozen being carried out at this time in Canada?

Hon. A. J. MacEachen (Minister of National Health and Welfare): 1. The sale of krebiozen in Canada is not permitted.

2. No.

3. No.

IMPORTS OF CHAROLAIS CATTLE

Question No. 423—**Mr. McLelland:**

1. Were any Charolais cattle imported into Canada from France since July 1, 1963 and, if so, how many?
2. Were any of these animals imported to be used as herd sires and, if so, how many?
3. Were any female animals imported and, if so, how many?
4. Were any applications received to import Charolais cattle from France beginning July 1, 1963 through to January 31, 1966 and, if so, how many?

Hon. J. J. Greene (Minister of Agriculture): 1. No Charolais cattle have been imported

into Canada from France since July 1, 1963. A shipment of 110 head is presently undergoing quarantine at the Grosse Ile, Quebec, quarantine station.

2. Of the 110 animals in quarantine, 31 are males to be used for breeding.

3. There are 79 females undergoing quarantine.

4. From July 1, 1963 through to January 31, 1966, 99 applications have been received to import Charolais cattle from France.

EXTENSION OF FISHING VESSEL ASSISTANCE PLAN TO LAKE WINNIPEG

Question No. 426—**Mr. Stefanson:**

Does the government plan 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): Proposals have been made to provincial governments which administer fisheries, and their reactions are being awaited.

SALARIES AND WAGES, AGRICULTURE DEPARTMENT

Question No. 442—**Mr. Godin:**

What amounts did the Department of Agriculture spend, during the years 1962, 1963, 1964 and 1965 on (a) salaries and wages (b) professional and special services?

Hon. J. J. Greene (Minister of Agriculture):

	Salaries and wages	Professional and special services
	$	$
1961-62	47,403,043	2,261,814
1962-63	48,947,791	2,199,678
1963-64	50,375,782	2,176,891
1964-65	52,352,900	2,426,900
1965-66 (Forecast)	57,382,450	2,697,000

BIOLOGICAL STATION, GRAND RAPIDS, MAN.

Question No. 449—**Mr. Stefanson:**

1. Does the government plan to establish a biological station at Grand Rapids, Manitoba, to carry out research on freshwater fisheries?

2. If so, when will such a station be set up, when will it be ready for operation, and what program is contemplated?

Hon. H. J. Robichaud (Minister of Fisheries:) 1. No.

2. Answered by No. 1.

PAYMENTS TO PUBLIC HANGMAN

Question No. 453—**Mr. McCleave:**

What were the last payments made in Canada for the services of public hangman and were these in the nature of a retainer plus extra payment for each execution carried out?

Hon. Lucien Cardin (Minister of Justice): This information is not available. Executions are under the jurisdiction of the provincial authorities.

AIR CANADA FLIGHT TO BERMUDA—VACANT SEATS

Question No. 458—**Mr. McCleave:**

Were there any vacant seats on the Air Canada flight of December 3, 1965, to Bermuda and the Caribbean from Halifax International Airport and if so, how many?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Air Canada advises as follows:

Due to late cancellations by invited guests there were four vacant seats.

BUTTER AND BUTTER OIL RESERVES

Question No. 472—**Mr. Laprise:**

1. At the present time, what are the reserves of (a) butter, and (b) butter oil, in Canada?

2. Since 1963, what have been the noticeable periods when changes were made in the volume of these reserves and what was the extent of the increases or the decreases?

3. Taking into account the variations in the volume of the reserves, was the government called upon to take any particular action, in order to re-establish the equilibrium between supply and demand and, if so, what were these measures?

4. Is the government planning to adopt a new policy in this respect, in order to stimulate production or consumption, or in order to encourage a decrease of production or consumption and, if so, what are the measures contemplated?

Hon. J. J. Greene (Minister of Agriculture): 1. (a) Stocks of butter: 75 million pounds at January 1, 1966. (b) Stocks of butter oil: 0.4 million pounds at January 1, 1966.

2. Under normal production and consumption conditions, the high point in stock position is reached on October 1 and the low point on May 1.

Stocks on hand	1963	1964	1965
	(million pounds)		
May 1	101	99	53
October 1	167	138	108

3. The Agricultural Stabilization Board's stocks of butter and butter oil increased significantly during the period 1959 to 1963. In 1963 the board was authorized to dispose of some of its holding into export, and in 1963 and 1964, 46.7 million pounds of butter and

70.6 million pounds of butter oil were exported. In addition, each year the dairy support program was designed, among other things, to promote a better balance between supply and demand.

4. The dairy support program is a matter of government policy and as such will be announced some time prior to the start of the new dairy support year, which is 1 April 1966.

ATOMIC ENERGY PLANT, QUEBEC

Question No. 477—**Mr. Vincent:**

1. Has a study been made by Atomic Energy of Canada and Quebec Hydro of the possibility of building an atomic plant in Quebec?

2. If so (a) is this study being made jointly or separately (b) what will be (i) the cost of building such a plant (ii) the site or sites which would be favourable to such a plant (c) what would be the basis of financial negotiations for such a project, should an agreement be reached between Quebec Hydro and Atomic Energy of Canada (d) have options on lots been taken to date in the Province of Quebec with a view to this project?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): 1. The study is being carried on at present.

2. (a) Jointly. (b) (i) not yet determined; (ii) not yet approved. (c) It is contemplated that Atomic Energy of Canada Limited would construct the plant at Atomic Energy of Canada Limited expense on a site to be provided by Hydro-Quebec, that Hydro-Quebec would operate the plant and purchase from Atomic Energy of Canada Limited the electricity produced and that after the plant had operated satisfactorily for a period, Hydro-Quebec would purchase the plant at a price to be agreed. (d) The acquisition of the site would be the responsibility of Hydro-Quebec.

*PRINCE EDWARD ISLAND CAUSEWAY

Question No. 479—**Mr. MacDonald (Prince):**

What is the expected date of completion of the Prince Edward Island causeway?

Hon. G. J. McIlraith (Minister of Public Works): It is impossible at this early date to forecast accurately when a project of this magnitude and complexity will be completed. However, with maximum progress this project could be completed in late 1970.

Mr. Knowles: That is after the next election.

FEDERAL ASSISTANCE TO QUEBEC FARMERS

Question No. 490—**Mr. Laprise:**

1. Has the federal government been called upon by the government of Quebec to contribute to payments to farmers of that Province, for losses they have suffered due to bad weather, from July 1, 1964 to May 15, 1965?

2. If so, what was the government's reply?

Hon. J. J. Greene (Minister of Agriculture): 1 and 2. Yes and the government has agreed, subject to parliamentary approval, to contribute one half of the costs of programs which provide assistance to Quebec farmers affected by adverse weather.

ASSISTANCE TO GOLD MINING INDUSTRY

Question No. 501—**Mr. Caouette:**

1. Is it the intention of the government to grant further assistance to the gold mining industry so as to provide for persons employed therein wages in line with those paid in other industries?

2. If so, (a) when (b) what form would such assistance take (c) on what basis would it be established?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): 1. The present term of the Emergency Gold Mining Assistance Act, under which the federal government provides assistance to the gold mining industry in Canada, expires at the end of 1967. The needs of the industry and of the persons employed in it will be thoroughly reviewed prior to the end of the present term of the act.

2. Answered by No. 1.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PAYMENTS TO CANADIAN FARMERS

Question No. 299—**Mr. Godin:**

In the years 1963, 1964, 1965, what amounts did the government pay to Canadian farmers (a) in contributions (b) allowances (c) subsidies, for (i) Canada as a whole (ii) the Province of Quebec, and (iii) Portneuf County?

Return tabled.

WINTER WORKS PROJECTS, CHAPLEAU COUNTY, QUE.

Question No. 305—**Mr. Laprise:**

1. Under the Winter Works Incentive Program for 1965-66, what projects have been accepted in the county of Chapleau?

2. What will each project cost?

3. What projects have been turned down and for what reasons?

Return tabled.

BREAD

GOVERNMENT ACTION FOLLOWING PRICE INCREASE

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. In view of

the very steep increases in the price of bread, what does the government intend to do in that connection? Has there been any investigation made by the appropriate department as to whether the concerted increases are justified, and does the government consider that the explanation given in today's press, to the effect that the pension plan and minimum wage plan are costing money and that the result of those increases in taxation is an exaction, together with the increase in the costs of fats and powdered milk, justifies this very heavy, further imposition on the people?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, without accepting the reasons given for the increase, I shall be glad to make inquiries and make a statement in due course.

Mr. Diefenbaker: Did not the government have notice in advance that these increases were going to take place, and what action did it take when it received that notice?

Mr. Speaker: The hon. member for Vancouver-Kingsway.

Mr. Diefenbaker: Mr. Speaker, I asked a question of the Prime Minister, who said he would make a statement later when he looked into this. I ask him did he not have notice in advance? His silence may be the answer.

Mr. Pearson: No, Mr. Speaker, normally the government does not get notice in advance of increases in the costs of particular commodities.

Mrs. Grace MacInnis (Vancouver-Kingsway): As a supplementary question, Mr. Speaker, in view of these price increases, and in view of the fact that the Organization for Economic Co-operation and Development has recently urged Canada to adopt the price-wage guide posts which the United States government has adopted in the past two years, will the Prime Minister reconsider—

Mr. Speaker: Order.

Mrs. MacInnis (Vancouver-Kingsway): —the government's decision not to set up machinery now—

Mr. Speaker: Order, please.

Mrs. MacInnis (Vancouver-Kinsway): —to review recent increases in the cost of living?

Mr. Speaker: Order, please. The hon. member is making representations and submitting an argument expressing an opinion. She is not asking a question.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Speaker, with due respect I was not submitting an opinion at all. I was simply stating that in view of the fact that the organization for the economic co-operation—

Mr. Speaker: Order, please.

THE CANADIAN ECONOMY

REPORTED STATEMENT BY PRIME MINISTER RESPECTING CANADIAN CONTROL

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to address a question to the Right Hon. the Prime Minister. In order to do so I want to direct his attention to the fact that *Le Devoir* of this morning attributes the following statement to the Prime Minister:

[*Translation*]

The Canadians could easily—

[*English*]

Mr. Speaker: Order, please. It is against the rules and procedures of this house to quote from a newspaper at this time. Perhaps the hon. member will preface his question by referring in general terms to the statement. He cannot read a newspaper article as he apparently intended to do.

Mr. Lewis: Mr. Speaker, the only reason I intended to do that is that during an earlier question another hon. member was requested to read the actual statement. I can easily reword my question.

In view of the fact that there is in this morning's paper an alleged statement by the Prime Minister to the effect that for Canada to control its own economy we would have to accept a reduction of from 25 per cent to 30 per cent in our standard of living, I should like to ask the Prime Minister on what he bases this statement, as a condition for Canada controlling its own economy?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am very glad to answer that question, which relates to a question asked me during a question and answer session held by the university Liberals last Friday night.

An hon. Member: We know all about that.

Mr. Diefenbaker: Before they abolished the Queen.

Mr. Pearson: Mr. Speaker, I was trying to point out during this question and answer session that if we in this country went in for a complete policy of economic nationalism and if we tried to become economically self-

contained, our standard of living would be reduced I think by at least 25 per cent. Perhaps it would be more than that.

Mr. Lewis: I have a supplementary question, Mr. Speaker. Do I understand the Prime Minister now to say that his statement was to the effect that before Canada's standard of living would be reduced it would have to adopt a completely self-entrenched economy, or is he talking about the control of our economy?

Mr. Pearson: No, Mr. Speaker, that is a wrong deduction.

[*Translation*]

FINANCE

INQUIRY AS TO INCREASE IN NATIONAL DEBT

On the orders of the day:

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

In view of the substantial increase in the interest on the national debt in 1966-67, could the Minister of Finance tell us by how much this debt of the Canadian government has increased and under what legislation the minister was authorized to increase such debt?

Mr. Speaker: The hon. member's question is very interesting, but I do not think it should be asked at this time, and I suggest that he put it on the order paper.

[*English*]

AIR TRANSPORT

ICAO—REPORTED CRITICISM OF U.S. PROPOSAL

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I should like to direct my question to the Minister of Transport. In view of the sharp disagreement which has taken place at the current ICAO conference in Montreal, over the extent of liability to passengers killed or injured in air accidents, and in view of the rather severe criticism by the chief Canadian delegate of the United States policy or proposal, accusing them of high pressure selling tactics impinging on human dignity, has the minister been in contact with his United States counterpart regarding this issue? If he has not, is the minister considering any representations to the United States government in respect of this subject?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, our delegation has been told to take a certain position at the conference where discussions are now taking place.

[Mr. Pearson.]

If there is any amplification that I can give I shall be glad to give it during the consideration of my estimates.

NATIONAL DEFENCE

CANCELLATION OF ORDER FOR CF-5 SIMULATOR

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I have a question for the Minister of National Defence. Why has the contract for the CF-5 simulator for training purposes in the R.C.A.F. been cancelled?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, it has been determined that the simulator is not required for this aircraft. Amongst its other advantages the CF-5 is such a stable aircraft and so easy to fly that any experienced jet pilot could step right into it and fly it. Therefore the simulator is not needed. There are also financial savings resulting from this fact.

Mr. Harkness: A supplementary question, Mr. Speaker. If all these things are the case, why were they not considered before a contract was let for such a simulator; also, is this not the only fighter aircraft the R.C.A.F. has had for which there has not been a simulator? In addition, is it not a fact that all the air forces of the world have found that a simulator is necessary?

Mr. Speaker: Order, please.

Some hon. Members: Answer.

HEALTH AND WELFARE

MEDICARE PAYMENTS TO PROVINCES ACCEPTING FEDERAL CONDITIONS

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Minister of National Health and Welfare whether he has considered the implications of the statement made on Friday last by the premier of Ontario with respect to the pattern set by the unconditional payment of federal funds to one province under the opting-out formula, with particular reference to the possibility of Ontario receiving a no-strings attached payment for the purposes of its own medicare scheme. If so, what position does the federal government take with respect to this matter in connection with its suggestion that it will pay one half the costs of a medicare scheme to any province which accepts conditions to be imposed by the federal government?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I have not seen the statement made by the premier of Ontario; therefore I have had no opportunity to consider its implications.

Mr. Fulton: May I ask the Prime Minister a supplementary question. I would ask the Prime Minister whether, in view of the importance of the position which seems to have been suggested by the premier of Ontario, he does not feel he owes it to this house and the provinces to clarify the position of the government on this matter in order that the provinces may proceed intelligently with their plans even though the federal government may not wish to plan intelligently?

EDUCATION

QUEBEC—ARRANGEMENTS RESPECTING FEDERAL GRANTS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister this question. Is he in agreement with the statement made by Premier Lesage to the effect that the $17,300,000 payable under the education plan to the province of Quebec will be used by that province as it chooses, and may be used for the building of roads if it so chooses?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the grant is exactly the same in so far as use is concerned as that which was made to the province of Quebec by the previous government, when it gave a grant of $2 per capita.

Some hon. Members: Hear, hear.

Mr. Pearson: The previous grant, as I indicated the other day, amounted to a percentage abatement of the corporate income tax of 1 percentage point, which was designed to produce revenue equal to the provincial share of the university grants. The agreement was made with the intent of assisting the province in its support of universities, but of course revenues derived by the province from the tax abatement lose their identity in general provincial revenues and could not be related directly to such provision as the province has made for universities. In that sense the abatement has the same effect as the grant that was made in the form of a cash grant.

Mr. Diefenbaker: Mr. Speaker, I still have not received an answer, because I point out that on Friday, as reported at page 1069 of *Hansard*, when I asked the question the Prime Minister said:

> —there is a change, but I do not consider it as a matter involving victory or defeat. There is a change from the arrangements made when the right hon. gentleman was head of the government.

He went on to say what the change was. I ask the Prime Minister this, and it is very simple; words like those used are too general. Can the Lesage government use the $17,300,000 for any purpose it desires outside of education?

Mr. Pearson: It can deal with the cash grant exactly as it could have dealt with the abatement on corporation tax. The grant was made by this government, as it was made by the previous government, to the government of Quebec for education.

Some hon. members: Hear, hear.

Mr. Speaker: Order, please.

Mr. Diefenbaker: There is a change.

Mr. Speaker: Order, please.

Mr. Diefenbaker: Mr. Speaker, I seem to have difficulty getting an intelligent answer.

Some hon. Members: Sit down.

Mr. Speaker: May I suggest to the right hon. Leader of the Opposition that the question he asked today is substantially the same as the question he asked last Friday. The right hon. Prime Minister has replied to the question and I suggest we should go on to another subject matter.

Mr. Diefenbaker: The Lesage interpretation stands, then.

[*Later:*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Prime Minister based on the question asked previously. Can the Prime Minister indicate whether the payment of $17 million to the province of Quebec will be subject to the scrutiny of the Auditor General, to make sure it is used for the purposes for which it was intended?

Mr. Pearson: Mr. Speaker, I am sure the Auditor General will be very interested in every federal payment of any amount to any province.

Mr. Nielsen: Well, is it going to be done?

[*Translation*]

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister.

Inquiries of the Ministry

Would the Prime Minister ascertain whether the Premier of Quebec uttered the statement we read in the press last week that:

It is the first time the Ottawa government agrees to such an unconditional payment, which I blamed the Barrette-Fleming formula for not allowing.

Mr. Speaker: Once again, I would suggest to the hon. member that this question be put on the order paper.

[*English*]

PENSIONS

INQUIRY AS TO LEGISLATION REGULATING PRIVATE PLANS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. In view of the statement made in the Ontario legislature by Mr. Wishart concerning legislation respecting the regulation of private pension plans, and in view of the confusion created by that statement, will the government reconsider its legislation in this field with a view to bringing it in at an early date?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the situation in this respect remains as I explained it on January 25 and, I believe in answer to a later question; I said that we understood the question to be urgent but that there were other matters of even greater urgency that would be appearing or are now on the order paper.

Mr. David Orlikow (Winnipeg North): A supplementary question, Mr. Speaker. I should like to ask the Minister of Finance whether he has given consideration to the fact that if Mr. Wishart's legal advice is correct and railway employees in Ontario now have greater rights than railway employees in every other province, this may affect the whole actuarial basis of the pension fund.

Mr. Speaker: Order, please. The hon. member is now making an argument.

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a question for the Prime Minister. Is the Prime Minister holding up the announcement of the appointment of Hazen Argue to the Senate at the insistence of Premier Thatcher until after the provincial Bengaugh by-election?

[Mr. Vincent.]

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. J. M. Forrestall (Halifax): Mr. Speaker, might I direct a question to the Minister of Transport. May I ask him whether in the light of the very considerable concern in Halifax he would give this house and all maritimers his very capable assurance that certain suggestions made by the hon. member for Lapointe will not be considered by the government?

Hon. J. W. Pickersgill (Minister of Transport): That question is so involved, sir, that I think it should be saved for the estimates.

HOUSING

TORONTO—COMMUNITY CENTRE FACILITIES FOR DOWNTOWN DEVELOPMENTS

On the orders of the day:

Mr. D. S. Macdonald (Rosedale): Mr. Speaker, I should like to address a question to the Minister of Labour in his function as the minister responsible for C.M.H.C. Has C.M.H.C. recommended to the city of Toronto that the plan for the Trefann Court housing development in downtown Toronto should include community centre facilities for the Regent Park and Trefann Court developments?

Some hon. Members: Order.

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

Mr. Macdonald (Rosedale): Ten o'clock, Mr. Speaker.

Hon. R. A. Bell (Carleton): Mr. Speaker, on a point of order, Friday and again today a parliamentary secretary has addressed questions to the ministry. I respectfully submit to Your Honour that they have a status which ought not to permit them to address questions to ministers of the crown—

Some hon. Members: Oh, oh.

Mr. Bell (Carleton): —and that such questions ought to be considered as out of order, from parliamentary secretaries in their proper status as junior ministers.

Some hon. Members: Hear, hear.

Mr. Macdonald (Rosedale): I would point out to the hon. member that whatever the status or additional responsibilities—

Some hon. Members: Order.

Mr. Speaker: Order, please. The hon. member has raised a very important point, but it is also a novel suggestion. Perhaps there is some merit in it, and certainly the Chair will in due course have an opportunity to look into the matter and consider the suggestion made by the hon. member, although as I said this to my mind seems a new approach to questions.

REGINA—INQUIRY AS TO PROTEST RESPECTING REZONING

On the orders of the day:

Mr. K. H. More (Regina City): My question Mr. Speaker, is directed to the Minister of Citizenship and Immigration under his responsibility for Central Mortgage and Housing Corporation and I think the Minister of Veterans Affairs should also be interested. Has the minister had representations from residents of Dieppe Place in Regina stating the grievance they have in connection with action which is being taken to rezone the property around this site? If he has, what action has the minister taken in this matter?

Mr. Speaker: Order. I would invite the hon. member to place this question on the order paper.

TRANSPORT

REPORT OF CO-ORDINATING COMMITTEE ON MOVEMENT OF GRAIN

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 Finance with regard to the new co-ordinating committee set up for the movement of grain to the west coast. I should like to ask the minister whether he has received a report or has otherwise been in communication with this committee; and if so, can he now tell the house where the bottleneck in the movement of grain to the west coast was or is?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, as I reported to the house in answer to a similar question a few days ago, there has been a very considerable improvement in the situation in Vancouver and the daily movement is right on target, which I think will gratify all of us.

I have not yet had a report from the chairman as to the problems that he overcame and those that remain.

Mr. Olson: May I ask a supplementary question. If there is a substantial improvement there must have been something corrected. Therefore, to remove the shadow on the railway or the terminals or whoever it was, could we know what it was that was holding up this movement?

Mr. Speaker: Order, please. I suggest that this question is not in order at this time.

GRAIN

INQUIRY AS TO DATE OF FINAL PAYMENTS

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): My question is directed to the Minister of Finance and is related to his responsibility as the minister in charge of the Canadian Wheat Board. Since this is Valentine's Day I wondered if he could make any announcement about the final closing of the pool on grain so we could know the final prices before Wednesday.

Hon. Mitchell Sharp (Minister of Finance): I always like to get greetings on Valentine's Day from the hon. member for Qu'Appelle. May I say to him that in reply to a similar question the other day I said I thought the wheat board would be closing its accounts and making the necessary submission to council in the latter part of this month. I am not quite certain which day it will be.

INDUSTRY

AUTOMOBILES—REQUEST FOR MEETING WITH TRADESMEN

On the orders of the day:

Mr. H. E. Gray (Essex West): I should like to direct a question to the Minister of Industry. I want to ask him if he will be taking immediate steps to arrange, together with the Minister of Citizenship and Immigration, the meetings requested by a group of skilled tradesmen at the Ford Motor Company of Windsor in their telegram of February 13, to discuss with them the impact of the auto agreement on their type of work?

Hon. C. M. Drury (Minister of Industry): As a result of the initiative taken by my colleague the Secretary of State for External Affairs—

Some hon. Members: Oh, oh.

Mr. Drury: —and the hon. member for Essex West, I am glad to say a meeting is in the process of being arranged.

Mr. A. D. Hales (Wellington South): May I ask a supplementary question of the Minister of Industry. At this meeting will the government put forward its stand on parity prices as between the United States and Canada so far as car orders are concerned?

Mr. Drury: The purpose of the meeting will be to hear representations by the tool and die makers as to conditions of employment in their particular trade.

Mr. Andrew Brewin (Greenwood): I should like to ask the minister if the government, at this proposed conference, will put forward any proposals for the alleviation of the hardship to those who are laid off by reason of technological change, in line with the recommendations of Mr. Justice Freedman in connection with the railway run-through cases.

Mr. Drury: The recommendations of Mr. Justice Freedman are now being studied with the care they deserve, particularly by my colleague the Minister of Citizenship and Immigration. The government has a great interest in the report of Mr. Justice Freedman, but I am not sure his recommendations are at issue in this particular case. We will only learn this on the arrival of the delegation for the meeting here in Ottawa.

ADMINISTRATION OF JUSTICE

SEAFARERS INTERNATIONAL UNION—PROSECUTION OF MEMBERS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister of Justice which I consider most appropriate in view of the tabling of the report of the maritime trustees. In view of the fact that I have been reliably informed that papers, documents and records seized by the Royal Canadian Mounted Police from the offices of the Seafarers International Union in Montreal have been returned by the courts to the R.C.M.P., and in view of the fact that I have been reliably informed also there is evidence of fraud on the part of Harold Chamberlain Banks and other persons, will the minister inform the house whether charges are to be laid against those persons?

Hon. Lucien Cardin (Minister of Justice): The minister cannot say whether charges will be laid until all the evidence has been completely studied.

Mr. Frank Howard (Skeena): Some days ago I asked the Minister of Justice about certain charges that are pending against a number of individuals involved in the so-called march on Ottawa during the time the legislation on maritime union trustees was under consideration. At that time the minister was not sure whether it was a matter of persecution or prosecution, and he said he would look into it. I wonder if the minister could now indicate an answer?

Mr. Cardin: I do not know where the hon. member got the idea that I was not sure whether it was persecution or prosecution. I am sure it was prosecution. Offences had been committed under the Criminal Code. The charges are now before the courts and the matter is sub judice. There is nothing more I can add.

Mr. Howard: A supplementary question—

Mr. Speaker: Order, please. The Chair has recognized another hon. member. We may return to the hon. member for Skeena.

RESALE PRICE MAINTENANCE—INQUIRY AS TO PROSECUTIONS

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to address a question to the Minister of Justice. In view of the recent decision of the Supreme Court of Canada upholding the legality of that section of the Combines Investigation Act forbidding resale price maintenance, can the minister advise what action he is taking or is about to take regarding the 15 or 16 similar cases that are now before his department, some of which have been there for as long as two years or more?

Mr. Speaker: Order. In view of the fact that some of the cases to which the hon. member refers have been pending for two years I wonder whether he might not wait another week and place the matter on the order paper.

BANKRUPTCY

REQUEST FOR TERMS OF REFERENCE OF COMMITTEE

On the orders of the day:

Mr. Erik Nielsen (Yukon): May I direct a question to the Minister of Justice, and ask him if he has directed written terms of reference to the three man committee set up by him to study bankruptcies? If so, will he table them?

Hon. Lucien Cardin (Minister of Justice): I will look into this question, and if possible I will table them. It is my recollection that the terms of reference were arranged verbally with the superintendent.

Mr. Nielsen: May I ask a supplementary question. Will the minister inform the house whether the government is giving any consideration to suspending the operation of those

legislative provisions within which certain bankruptcy proceedings must be taken while this committee is undertaking its study, which apparently is to take a year?

Mr. Cardin: No, Mr. Speaker, the committee will proceed with its study, which will take perhaps a year, with a view to revising the Bankruptcy Act. However, there are amendments which we intend to bring before parliament as soon as possible and which will deal with the areas of contention in this field.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): If the investigation is to take a year there would be some people escape because of the passage of time and the statute of limitations. Is it the intention to introduce any amendment during the period of a year to the effect that the statute of limitations shall not run so these people will not escape if they should be charged?

Mr. Cardin: It appears that there is a misunderstanding of the purpose of the committee which is being set up. The committee that is being set up is to continue the studies that there were made by the Department of Justice in connection with the revision of the Bankruptcy Act. It is not an inquiry into any irregularities. It has to do with the revision of the Bankruptcy Act, and the people who have been chosen to do this are very competent in that field.

Mr. Nielsen: I do not believe, Mr. Speaker, the minister has appreciated the importance of the point we are trying to get across. A legislative limitation is placed on the time within which certain proceedings must be commenced under the Bankruptcy Act. In view of the fact that some individuals concerned may not act because of the existence of this committee, is it the government's intention to suspend the operation of these limitation provisions?

Mr. Cardin: I will analyse the hon. member's question.

Mr. Andrew Brewin (Greenwood): May I ask a further supplementary question. I wonder whether the minister could explain why, after four years of complaints and suggestions from various business organizations like the institute of chartered accountants, it is now found necessary to get outside advice and form a commission that will take another year to study the matter. Why is this necessary?

Mr. Speaker: Order.

Inquiries of the Ministry

CANADIAN NATIONAL RAILWAYS

REQUEST FOR IMPROVED SERVICE BETWEEN HALIFAX AND MONTREAL

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): I should like to direct a question to the Minister of Transport. The press has reported that the cabinet is studying a $15 million proposal to finance the purchase of a fleet of gas turbine super engines for the Canadian National Toronto to Montreal run, capable of speeds up to 160 miles an hour. In view of the importance of providing speedy transportation and train service between the Atlantic provinces and the Montreal-Toronto area, will the minister give similar consideration to establishing a super train between Halifax and Montreal to replace the Ocean Limited?

Hon. J. W. Pickersgill (Minister of Transport): I think I can—

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

Mr. Pickersgill: Bring it up on the estimates.

VETERANS AFFAIRS

INQUIRY AS TO GOVERNMENT ACTION RESPECTING HONG KONG VETERANS

On the orders of the day:

Mr. J. Chester MacRae (York-Sunbury): I should like to address a question to the Minister of Veterans Affairs. Is the minister now prepared to make any statement on the report he tabled on Friday in connection with the Hong Kong veterans?

Hon. Roger Teillet (Minister of Veterans Affairs): No, Mr. Speaker. The report is now being studied by the Canadian Pension Commission and it will be a few days before we are in a position to reach any decision in this matter.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I have a supplementary question. Can the minister inform the house when he will be able to make a report as to the government's consideration of the requests of the Legion and other veterans organizations for amendments to the Pension Act, the War Veterans Allowance Act and other veterans legislation, including the subject just mentioned?

Mr. Teillet: Mr. Speaker, I think I will read that question in *Hansard* and answer it subsequently.

Inquiries of the Ministry

SPORTS

BANFF—SUITABILITY AS SITE FOR WINTER OLYMPICS

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Minister of Northern Affairs and National Resources. Because of the current controversy with respect to the suitability of Banff national park as a site for the 1972 winter Olympics, can the minister confirm the government's continuing support for this worth-while international athletic event and ensure the accessibility of Banff for that purpose?

Mr. Speaker: Order, please. This is not a question which should be asked at this time.

CANADIAN PACIFIC RAILWAY

B.C. PROTEST AGAINST CURTAILMENT OF SERVICE

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question I should like to direct to the Minister of Transport. Can he say whether a protest has been received from British Columbia in relation to the curtailment of the C.P.R. passenger services this year, just when British Columbia is expecting such a large influx of tourists, this being her centennial year?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, if by British Columbia the hon. gentleman means the government of British Columbia I think the answer is no. If by British Columbia he means people living in British Columbia, then the hon. member for Kamloops made an eloquent speech on the subject on Friday.

FINANCE

INCREASE IN INTEREST RATE ON TREASURY BILLS

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, on Friday I asked the Prime Minister, before the Minister of Finance had arrived in the house, a question with regard to the increase in the interest rate on Canadian treasury bills reported in the press last Friday. I asked him whether this was the deliberate policy of the Bank of Canada, and the right hon. gentleman stated that he would consult the Minister of Finance and would try to answer today. May I have the answer?

[Mr. Teillet.]

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I had expected that the hon. member would remind the Prime Minister today of his promise and I am prepared to answer the question now.

The increase to which the hon. gentleman referred was 2-100ths of 1 per cent, a very small change well within the usual week to week variations in the yield of treasury bills. The rate on treasury bills is set by market forces working day by day in the open market and each week in the auction for new bills to replace those maturing, which normally takes place on Thursdays. Along with other developments which affect the market, the operations of the Bank of Canada have an influence on credit conditions generally and the yield on treasury bills as well as on other securities. These operations of the bank are shown in the figures that it publishes each week.

Mr. Lewis: A supplementary question. Is it not a fact that in this case the Bank of Canada took no action to forestall this increase which while small has an effect on the general interest rate?

Mr. Sharp: Mr. Speaker, may I just say by way of general comment that within the past year, at least partly as the result of the operations of the Bank of Canada, the money supply, that is, the total currency and chartered bank deposits, has risen by 9½ per cent and during the year 1965 actually increased nearly 12 per cent. So I do not think anyone can suggest that the Bank of Canada has been following a tight money policy.

Hon. J. W. Monteith (Perth): A supplementary question. I am assuming that the relationship between the Bank of Canada and the present Minister of Finance is on a similar basis to that of the former Minister of Finance. Does the fact that there have been successive increases in the bank rate over the past several weeks indicate a trend in government thinking?

Mr. Sharp: As those who are well informed on the subject know, Mr. Speaker, the increase in interest rates in the United States has exceeded that in Canada.

BUSINESS OF THE HOUSE

REQUEST FOR EARLY CONSIDERATION OF BILL RESPECTING FAIR WAGES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question

to the Minister of Labour. My question relates to Bill No. C-2, an act to amend the Fair Wages and Hours of Labour Act. In view of the fact that this bill is really just an extension of the Canada Labour (Standards) Code and therefore might not occasion much debate, would the minister consult with his colleague the house leader to see whether this bill could be brought on for passing at an early date so that the people who require its protection can get that protection soon?

Hon. J. R. Nicholson (Minister of Labour): I will be glad to discuss that with the house leader, Mr. Speaker.

HEALTH AND WELFARE

RESEARCH INTO POSSIBLE DANGER FROM PESTICIDES

On the orders of the day:

Hon. J. W. Monteith (Perth): Mr. Speaker, on February 7 I asked the Minister of National Health and Welfare whether or not Canada or his department was taking action concerning aldrin and dieldrin, two dangerous pesticides, as has happened in Washington recently. Can he answer that question now?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, the action taken in Washington with respect to these pesticides was to limit their use for specific purposes. This action was taken by the U.S. Department of Agriculture. No similar action has been taken by this department because it is not the type of action which is normally taken. As my hon. friend realizes, the Department of National Health and Welfare ensures that the amounts of drugs present in pesticide residues are not a hazard to health, and that work is at present going on as usual.

[*Translation*]

EXPO '67

MONTREAL—POSSIBLE STRIKE OF CONSTRUCTION WORKERS

On the orders of the day:

Mr. R. E. Régimbal (Argenteuil-Deux-Montagnes): Mr. Speaker, I should like to put a question to the Minister of Labour.

In spite of assurances to the contrary given by the Minister of Trade and Commerce and by the Expo '67 authorities during the parliamentarians' visit of that site three weeks ago, there is now a possibility of a general strike in the building industry in Montreal which would affect Expo works.

Could the minister tell us what protection we have against this?

[*English*]

Hon. J. R. Nicholson (Minister of Labour): For some reason, Mr. Speaker, the hearing device at this desk is not working. I will have to take the question as notice. I heard only about three words.

INDIAN AFFAIRS

INQUIRY AS TO LEGISLATION RESPECTING CLAIMS COMMISSION

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the Minister of Northern Affairs and National Resources. When may we expect the introduction in the house of a bill regarding the Indian claims commission? When the minister answers that question perhaps he might also indicate whether that bill has been delayed up to now by revision of any previous bill.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, the delay that has eventuated has had more than one cause. It has come from the quarters with which my hon. friend and myself are familiar namely, the province of British Columbia, where the Indian people seem to prefer to take a concentrated second look before proceeding. Some Indians of British Columbia indicated they would prefer to consider their particular position in negotiation prior to introduction of the bill. I have told the legal adviser of the Indians in the province of British Columbia that I am prepared to discuss with them this subject, and I have had a preliminary meeting with him, before any action is taken.

Mr. Howard: Mr. Speaker, may I have this question clarified. Did I understand the minister to say that he has had a preliminary discussion with legal counsel for the Indian people of British Columbia with respect to negotiations over the land question? Is that what he meant?

Mr. Laing: Yes, Mr. Speaker. I think I can safely say that.

SUPPLY

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

DEPARTMENT OF TRANSPORT

1. Departmental administration, $4,862,900.

The Chairman: Order. House again in committee of supply. Estimates of the Department of Transport for the fiscal year ending March 31, 1966, vote No. 1. Shall the item carry?

Mr. Hopkins: Mr. Chairman, during the last few days we have listened to speeches from various members of the house who have taken the opportunity to tell other members of the house and the Minister of Transport in particular about their problems back home. It will therefore be no great innovation in Canadian politics if to a large extent I do likewise on behalf of Renfrew North in particular and the Ottawa Valley in general.

I have stated in a previous speech that the Ottawa Valley has not prospered during the past several years to the same extent as have other areas in Canada. In fact, the upper Ottawa Valley has received so little attention that incentives for growth from either level of government have been next to non-existent. Other people who lived in an area where road accessibility leaves much to be desired, where railway freight rates show no mercy and where regular air passenger transportation is nil, would throw up their hands in hopeless disgust, particularly when they see other parts of Canada witnessing a boom, but while the Ottawa Valley people have been and are now witnessing these situations, they are not by any stretch of the imagination giving up hope. In fact, there is a new spirit abroad in the area. The people have never been afraid of work. They are not afraid of work today nor are they afraid to meet great challenges. All I ask on their behalf is that they be given a fair fighting chance to improve and to promote the growth of their communities.

Give us equalized freight rates and encourage the provincial government of Ontario to improve trans-Canada highway 17 by offering a federal grant toward such a project. Because this route is designated a trans-Canada highway this government has both a moral and a national responsibility to assist in its upkeep, and the provinces concerned not only have the power but also the direct responsibility to co-operate in maintaining those sections of the nation's trans-Canada highway that run through their individual provinces. The people of the Ottawa Valley would be grateful if the Minister of Transport would promote such action.

We have running through our geographic area a river which is one of the largest on the North American continent. Ever since the settlers moved into the upper Ottawa region during the days of the Crimean war to cut timber for the British navy, this river has been used for logging purposes. The Ottawa river and its tributaries such as the Petawawa river have become the graveyard for countless numbers of good logs. Not only has this been a waste of good timber but it has also made these waters a danger zone for boats and swimmers.

[The Chairman.]

A plan must be introduced to promote the cleaning up of these waterways because the Ottawa and its tributaries are becoming more and more important as tourist areas and the local boat traffic is increasing rapidly. Man has received the beauty of nature free of charge. Let us not destroy it at such a high cost.

As you know, Mr. Chairman, two railways run through the Ottawa Valley. Over the years since these railways were built historians have lamented about the lack of business that these lines receive from the Canadian shield. One of our eminent Canadian historians, Professor A.R.M. Lower, whom I am pleased to say I have known personally, describes the geographic area from ten miles north of Pembroke to Winnipeg as a rather barren one so far as rail business is concerned.

A few days ago a group of Liberal members of parliament from these areas met to discuss what they feel is a common problem. Business can be promoted in these areas and attracted to them if we are given equalized freight rates. I know that the other hon. members of the house are quite capable of putting forth ideas on behalf of their own constituencies in northern Ontario. However, I mention this to show that the urgency of this recommendation has considerable support. Even those people who have an elementary knowledge of Canadian history realize that the transcontinental railways were built in Canada not only to weld this nation together, not only for military purposes to maintain law and order on new frontiers, not only to entice geographic areas such as British Columbia to join confederation, but also for the purpose of improving national trade and for the purpose of providing easier access to international markets. Today we have very rapidly growing areas in Canada and we have stagnating areas in Canada. Let us not lose sight of the imagination, of the hopes and of the plans and initiative of generations of people who have contributed greatly to the building and development of our country.

• (3:40 p.m.)

The pioneers of this nation, our ancestors, have provided us with certain tools to continue the job of developing and promoting a

Canadian nation that can become the pride of not only the western world but of the world at large. Among these tools of progress are our railways which run through many of our industrially stagnated areas. It seems to be a tradition in Canadian history that the railways be operated with a certain status quo attitude. The attitude seems to be that railways must be operated just like any other business with the profit motive as the first and foremost consideration. But the railways and other important transportation facilities are of crucial importance not only to the general public but to the commercial and industrial sections of our country. They are special services which can and should be used to diversify the industrial and commercial development of Canada. Surely the time is ripe for a new look at railway freight rates in this country and for an over-all review of slow growth areas through which our railways run. Today we hear many complaints about the lack of labour in southwestern Ontario and other prosperous regions. There is nothing wrong with progress so long as that progress is in the right direction.

Are we to continue to expect people to uproot themselves from longstanding family homes in areas such as Renfrew county and more northerly areas of Ontario, cause them to travel to densely populated regions in order to exist and in the process speed up the centralization of our population in a few geographical areas? Surely the pioneers of Canada who were responsible for the construction of transcontinental railways did so with the hope that these services would help to develop Canada from coast to coast and settle the country throughout by spreading people across the nation. We have lost sight of their hopes, their aims and their great imagination if we of the second half of the twentieth century are going to reverse their aims by continuing transportation policies which tend to centralize rather than decentralize the industry and population density of our nation.

The opportunity is before us to promote the widespread development of Canada. What does it matter if we must subsidize our railways to make up the differences during initial stages of a new outlook on freight rates? The development of presently stagnated areas will in time give our railways more work to do and provide them with greater economic stability.

Let us invest some money in the development of stagnated geographical areas in Canada. We can do so by reviewing our freight rates and granting concessions. By taking such a course we would be investing in the long run in the progress and growth of our Canadian nation as a whole, not just in part. Let us not demonstrate to a large segment of this country that our thinking is obsolete when it comes to economic national unity. Let us invest money in the security of our Canadian people not only by providing them with social security but also by providing job security and a good living wage for all Canadians.

Let us show a new outlook in area progress. We have the people. Our people have the desire. Give them the opportunity by taking a hard and long look at railway freight rates between the Ottawa Valley and Montreal and from points along this route to the golden horseshoe of the northwest corner and western end of lake Ontario.

The same thing applies to the north. We can talk forever about the rights and privileges of the Canadian people, we can talk forever about the diversification of industry in Canada, we can talk about incentives for development, but unless we do something concrete to correct inequalities of rights and privileges, unless we do something to promote the diversification of industrial development and growth, in short, unless we provide practical incentives which are actually going to improve these situations, then our aims become meaningless. Give us the tools and we will do the job because our hearts are in Canada and our aim is to see her grow to greater nationhood through the vehicle of economic stability which will be brought about by industrial and hence urban diversification.

There has been a suggestion in this house that possibly we need a department of urban affairs. I have great respect for the hon. member who made this suggestion and his point is well taken. However, at this time I should like to offer another solution to urban problems. Let us through the good auspices of the Department of Transport and in other ways through the Department of Industry introduce policies of a kind which will tend to prevent the growth of giant urban octopuses that in turn become almost unmanageable. If you do not have giant urban octopuses then you do not have the problem of looking after them. Two of the major tools we can use to prevent this situation while at the same time creating a strong economic

base for Canada are good road facilities and lower freight rates for slow growth areas.

It is with these thoughts and sentiments in mind that I am pleading with the Minister of Transport, his colleagues in the cabinet and all members of this house to give the Ottawa valley in particular and northern Ontario in general new hope by reducing the freight rates between the Ottawa valley and Montreal and between this area and the golden horseshoe so that all these places can look forward to greater progress and a greater share in the fruits of the Canadian economy.

I am not one who believes that a rapidly growing economy is dangerous to a country but I am one who believes that it is very unfair, as well as poor economic and social planning when particular areas within a nation are permitted to outgrow their labour supply and create densely populated areas which in turn pose additional problems for government, while other sections of the country are allowed to stagnate or even decline. I want to see a Canada that is continually working toward economic unity and economic equality because these two criteria will create an attitude of mind which will make all people feel that they are indeed a part of the Canadian nation. This in turn will create a strong Canadian nationalistic spirit which will go far toward strengthening confederation.

Finally, Mr. Chairman, I urge the Minister of Transport and the government to introduce a downward revision of the freight rates between the Ottawa valley and Montreal, between northern Ontario and southern Ontario including points in the golden horseshoe so that people of the northern areas will be able to take up life anew and get down to the business of bringing greater progress to their regions. I wish to thank the minister for the kind attention he has given me and to assure him that if he takes the initiative in these matters he will be loudly cheered onward by the voices of the Ottawa valley and the north.

Mr. Smallwood: Mr. Chairman, I should like to spend a little time discussing the railroad situation in western Canada. The Minister of Transport has had many requests made to him. I do not intend to make any requests but I should like to give him a little information which he seems unable to obtain from his colleagues in the government.

The slow movement of grain from the west to the Pacific coast has created a very serious

situation. I say at the outset that the Minister of Finance who is responsible for the Wheat Board has not been doing his job, possibly not because he does not possess the ability but because there are too many other matters which demand his attention. He has let the farmers of western Canada down. Surely the Prime Minister can turn this responsibility over to the Minister of Agriculture. At least he goes out to the west and listens to the farmers' side of the story. We have had a great deal of confusion among the cabinet with respect to the wheat situation. It reminds me of Nero fiddling while Rome burned. The ministers on the front bench have been fiddling and fumbling and the farmers have not been getting their grain to market.

• (3:50 p.m.)

On Wednesday, February 9 the Minister of Finance was asked a question by the hon. member for Humboldt-Melfort-Tisdale respecting final payments for grain. As recorded at page 963 of *Hansard* the hon. member asked this question:

> Is the minister in a position now to inform the house if the Canadian Wheat Board is ready to make payments to western farmers, for which there is great need at the present time because of the slow movement of grain on the prairies?

The minister replied:

> I do not accept the last part of the statement by the hon. member concerning the movement of grain. In fact, the movement of grain throughout Canada at this time is at a record pace.

I shall place figures on the record to show that one cannot pay any attention to the minister's answers. I have here a letter I received today. It is dated February 10 and I should like to put part of it on the record to show how serious is the situation in western Canada. It is from subdistrict 505 of the Alberta Wheat Pool and it points out that at Strome, Alberta, on the C.P.R. line, where the quota today is three bushels, there is still an estimated 150,000 bushels to be delivered at that point on that quota. They have orders for 42 cars but they cannot get these cars. At Bawlf there is practically the same situation, with orders for 43 cars, and at Daysland the situation is the same. The C.N.R. lines immediately to the north and south have 5 and 6 bushel quotas in comparison with the situation on the C.P.R. line.

The Minister of Agriculture went out to western Canada and when he came back he reported that the C.P.R. was definitely not doing the job in hauling grain. When he returned he, the Minister of Finance and the

Minister of Transport had a little meeting with Mr. Emerson, President of the C.P.R., who came down out of his ivory tower in Montreal to meet these ministers. After the meeting the Minister of Finance came out and drove a knife in the back of the poor Minister of Agriculture. He said, "You are misinformed; it is not the C.P.R., it is the port facilities in Vancouver that are the bottleneck". This is very interesting. That was his statement on that occasion.

Today the Minister of Finance was asked a question regarding the movement of grain and he replied that the movement of grain was back to normal. If it is back to normal, then how did they improve the facilities of the port of Vancouver so quickly? I think he just does not know where they are going.

When all this confusion was going on the hon. member for Jasper-Edson and myself made a trip to Vancouver and spent three days at that port. As I have said, the Minister of Finance stated that the Vancouver facilities were not adequate to handle all the grain, that this was the cause of the delay and that the C.P.R. was doing fine. I get a little suspicious when I hear statements like that, especially since C.P.R. shares have risen to $63 from $23 during the last two years. Incidentally, I wonder how many of those people have shares in that private enterprise organization.

After that statement by the Minister of Finance the following telegram was sent to the minister from W. A. Sankey, Secretary Manager of the Vancouver Merchants Exchange:

> We strongly protest statements made in the press today wherein you are quoted as agreeing with statement of Mr. Ian Sinclair to the effect that "the real problem is a shortage, not of box cars, but in the shipping facilities at the port of Vancouver," and you are quoted as stating that, "Vancouver terminal facilities have not been adequate to handle the kind of shipments that we have had in the last two or three years."
>
> Records show that our facilities with a proper flow of cars have handled 25 million bushels per month. Furthermore at a meeting held January 20th in Vancouver, under the auspices of the Canadian Wheat Board, at which members of that board, terminal elevator operators and railway officials were present, the west coast grain problems were fully discussed and the conclusion reached that the trouble over the last several months has been caused by the failure of the railways to deliver sufficient cars to elevators to meet Canada's export grain commitments, which is an absolute contradiction to statements attributed in the press to yourself and Mr. Sinclair.

The other day the Minister of Transport got up and said it was a few snowbanks which had held up the movement of grain for a week, but it is more serious than that. The hon. member for Jasper-Edson and I spent three days at the port of Vancouver. We had a good reception every place we went. We found that the wheat pool terminal held only 1,300,000 bushels though their elevators were capable of handling 7 million bushels. We also found that the C.P.R. owns all the trackage in front of the pool terminal and elsewhere throughout the harbour. We found that instead of 150 cars a day being brought in, which the elevators were capable of handling, they were lucky if they got 120 cars.

We visited one small terminal that could handle 12 cars a day but the operator was getting only four. We visited a third terminal that could handle 120 cars a day but we found that the operator was not receiving that number of cars from the railroads. He had two tracks in front, each of which would hold 15 cars, but some mornings when he went out he found only four cars spotted on each track.

We visited officials of the harbour board. We thought we should also be polite and courteous to the C.P.R. because every place we went all over the harbour the C.P.R. was criticized. We visited the C.P.R. officials but we were flatly told that Mr. Emerson in Montreal makes all statements. If the minister wants to find out the cause of the holdup in wheat shipments I can tell him it is due to the C.P.R.'s actions in Vancouver.

It is interesting to note that after the minister had blamed the port facilities in Vancouver for not being able to handle the grain there were only 4,223,576 bushels of wheat at the Vancouver terminal as of January 31 last. This covered all grades and the total grain on hand amounted to 11 million bushels even though the port is capable of handling 20 million bushels.

On the day we visited the harbour board there were eight vessels at berth in the harbour. There were two vacant berths because there was no grain available and there were nine vessels waiting to be loaded. I ask the minister if he does not think he has some responsibility to go out there and see what is going on? I do not place all the blame on the Minister of Transport. It should be shared by the Minister of Finance who is responsible for the wheat board.

The Minister of Agriculture went out west and came back with one story. Then there was a meeting with Mr. Emerson following

which the Minister of Finance came out with his story.

• (4:00 p.m.)

I understand that last week end the parliamentary secretary to the Minister of Agriculture was appointed as parliamentary secretary to the Minister of Finance and has gone out to see whether he can ascertain what the problem is.

I have some interesting facts with me today regarding the monthly averages of grain loadings at the port of Vancouver. In 1964 the monthly average was something over 17 million bushels and in 1965 it was over 14 million bushels. The largest shipment in 1964 was 22 million bushels whereas the largest shipment in 1965 was only 18 million bushels. The smallest shipment in 1964 was 12 million bushels and the smallest shipment in 1965 was 6 million bushels. One can see from these figures that the harbour authorities can handle more grain than they have been handling but the railway companies are not delivering the grain. I suggest that the C.P.R. is the big offender in this regard.

In respect of the railway grain movement it is interesting to note that before 1965 the C.P.R. delivered a greater number of carloads of grain to the Vancouver harbour area than did the C.N.R; yet in the month of November last, the C.P.R. delivered 1,200 fewer cars than the C.N.R. The C.P.R. states that it has not got sufficient motive power but it is strange that they should run out of power so quickly. It is my opinion that they want to rid themselves of their responsibility for providing the "Dominion" passenger service and are using this as an excuse to come before the cabinet now at the expense of western farmers.

I could cite you many examples today of farm machine agencies which have closed their doors because the farmers cannot pay their bills, and all of these agencies are located along C.P.R. lines. The Canadian Pacific Railway is using a fair percentage of its box cars for hauling potash because they receive $6 per ton more than for hauling wheat. Before I complete my remarks today I want to put facts on the record which will indicate the responsibility of the C.P.R. to those people of Canada whom they seem to have forgotten.

The C.P.R. uses the excuse for its rather poor performance that it has not a sufficient number of cars. That is a rather strange excuse when one considers the number of cars we saw, some empty, some full, sitting on the sidings at Kamloops, North Bend, Ruby Creek, Spence's Bridge, Harrison Mills, Agassiz and Coquitlam.

The C.P.R. is turning over all its assests such as land buildings and so on to the Marathon Realty Company. They have reached the stage when they hope that we will take over the operations of the railroad. The C.P.R. was given the goose that laid the golden egg; they now have the golden egg and they want to give the goose back to the government. Perhaps I may be allowed to mention some of the things we gave the C.P.R. in return for an efficient trans-Canada railroad. I have the document before me and it will only take me a moment to put these considerations on the record.

Mr. Pickersgill: Those things were all given to the C.P.R. when a Tory government was in power.

Mr. Smallwood: That is exactly correct. That Tory government was more liberal than the Liberals. Had it not been for that Tory government we would not have any trans-Canada railroad in this country or any lines to our north or roads to resources. We would have had no expansion in this country had it not been for the actions of the Tory government.

The federal act which approved the contract between the government and the incorporators of the Canadian Pacific Railway provided that, in consideration of the completion and perpetual and efficient operation of the railway by the company, the company was to and in fact did receive a subsidy of $25 million, the conveyance of 25 million acres of land including all the coal, petroleum and other mineral rights therein, the transfer of certain lines of railway in eastern Canada owned by the government, duty free admission of all steel rails used in the building of the railway and perpetual exemption from taxation by Canada or any province thereafter created, of which Alberta was one. This exemption applied to all stations, station grounds, workshops, buildings, yards and other property on the main line of the railway. It also received subsequent conveyances of vast timber areas on Vancouver island. That was a pretty lush deal for the C.P.R.

Because of its rich endowment by the people of Canada the C.P.R. is now one of the biggest, wealthiest and most influential companies in North America, owning and controlling the largest privately owned railway

line in the world, air lines, steamship lines, trucking lines, thousands of acres of agricultural and timber lands and petroleum, natural gas and other mineral lands as well as a host of subsidiary companies. That is what Canada gave these people who built this railroad, in spite of that Mr. Emerson said following statements by the Minister of Finance and the Minister of Agriculture. I quote from the *Star-Phoenix* of January 24, 1966:

The agreement in 1881 between C.P.R. and the federal government, said Mr. Emerson, emphasized that the railway would construct and operate the railway efficiently.

Mr. Emerson is a lawyer and I am just a farmer but he does not fool me by changing the position of the word "efficiently". The original agreement stated that in consideration of the completion and perpetual and efficient operation of the railway by the company the company was to receive the things to which I have made reference. Mr. Emerson has now twisted that around. The company should continue to operate this railroad in an efficient manner and it cannot do so by dropping passenger transportation and failing to haul wheat. The company can derive its profits from its subsidiary operations without creating this serious situation we face in the transportation industry today.

I should like to quote now from an article which appeared in the *Western Producer* of January 27, 1966 in which Mr. Arnold Platt is reported as having said:

Arnold Platt, representing the Farmers Union of Alberta Co-operatives, told the western agricultural conference here January 21 that nationalization of the Canadian Pacific Railway will eventually take place because the C.P.R. hopes it will.

I am 100 per cent convinced that that is the C.P.R.'s motive. I am a long way from being a socialist, thank heavens, but if that is the game the C.P.R. intends to play in cutting down on service to the Canadian people, then the time has come for the government to take over not only the operations of the railroad but the operations of all its enterprises. If we are going to be given back the goose we also want the golden egg.

I do not think I need to continue my remarks this afternoon, Mr. Chairman. I hope I have given the facts in respect of the slowdown of the whole movement of grain to the port of Vancouver. The facilities there are sufficient to handle a greater amount of grain but the C.P.R. is not moving the grain to that area.

In closing I should like to quote from *Hansard* of Wednesday, February 9, page 967, where the Minister of Finance said in answer to a question about grain movement:

—the movement of grain at Vancouver has increased very substantially and is now at an average rate of 600 cars a day.

The movement might well have been 600 cars for one day but when we were at Vancouver nine days before on January 31 the average was 450 cars per day. However, if the facilities are sufficient to handle 600 cars per day the railway should move that many. The Minister of Finance is absolutely wrong in blaming the slowdown on port facilities, because he now says the operations are up to normal and I am sure there has been no work done on those facilities since his original statement was made.

• (4:10 p.m.)

It is time the minister looked into the operations of Canadian Pacific Railway regarding the movement of grain from western Canada. He has completely failed us.

Mr. Pickersgill: Mr. Chairman, I wonder whether I might be permitted to say a few words on this subject before anyone else speaks in view of the very important topic upon which the hon. gentleman has just been speaking. Perhaps I was clairvoyant but I did guess that the subject of grain movement would arise this afternoon.

An hon. Member: You must have a crystal ball.

Mr. Pickersgill: Therefore, Mr. Chairman, I thought it would be a good idea if I gave the committee an up to date report on this subject. Perhaps I should have done it before the hon. gentleman spoke but I think it would be helpful to the committee if I gave a report, which was prepared for me this morning, with regard to the export grain position at west coast ports as it stood on Saturday, February 12. Then in discussing this matter we will have the most up to date information that is available to the government.

I know that a number of hon. members would be quite interested in this information, and with your permission, sir, I shall read quite slowly.

Since the beginning of the year there has been a marked improvement in the daily average of cars of grain loaded for west coast ports, Vancouver, New Westminster, Victoria and Prince Rupert, and of the number of cars unloaded at those ports, as the following table

shows. This table covers cars of grain, daily average: For the week ended January 8, cars loaded for west coast ports, 381; unloaded at west coast ports, 338. That was the week, of course, that was affected by avalanches.

Mr. Smallwood: Is the minister speaking about Vancouver or all the west coast ports?

Mr. Pickersgill: I am speaking of all the west coast ports. For the week ended January 8, as I said, the number of cars loaded on the prairies for the west coast ports was 381 and the number unloaded at west coast ports was 338. In the following week, January 15, 400 were unloaded and 442 unloaded; for the week ended January 22, 474 loaded and 524 unloaded; for the week ended January 29, 425 loaded and 554 unloaded; for the week ended February 5, 466 loaded and 630 unloaded; for the week ended February 12, 599 loaded and 642 unloaded.

I should say that the loaded figure for the week ended February 12 was based on the assumption that the whole week would be the same as the first four days, so that it might not turn out to be exactly 599. However, the unloaded figure of 642 is for the whole week.

Mr. Smallwood: Does that figure of 642 relate to all the west coast ports? It is not just for Vancouver, is it?

Mr. Pickersgill: It is not just for Vancouver but it is mainly Vancouver.

Mr. Smallwood: Vancouver is capable of unloading 600 cars alone if they can get them spotted.

Mr. Pickersgill: As hon. members know, most of these cars go to Vancouver. During this period 95 per cent of all cars loaded—this is exactly the point the hon. gentleman was making—were destined for the Vancouver area, that is to say, Vancouver, New Westminster and Victoria. That would mean about 5 per cent for Prince Rupert.

With regard to the vessel situation, Mr. Riddel, the recently appointed chairman of the Pacific Grain Transportation Committee, made this report on February 9. This has to do with ships.

"The vessel situation is still quite disturbing, with 27 in port in the Vancouver area and 1 at Prince Rupert. Of the 28 vessels, 11 are loading, 12 have passed and are waiting to load, and the remaining 5 are discharging cargo or are fitting. With two exceptions all the vessels are to load full cargoes, the largest one 43,000 tons or approximately 1,600,000 bushels of wheat equivalent. This is a particularly large vessel and is taking a mixed cargo. I expect that it will clear this week along with another 5 of the vessels presently loading. With higher unloads being maintained, I would anticipate more expeditions loading of vessels from now on and I look for an improvement in the vessel situation by the end of next week."

Perhaps, Mr. Chairman, I could add one more sentence that I think is of some importance in view of what the hon. gentleman said. It is quite true that there have been no physical improvements in Vancouver since the hon. gentleman was there, but I do think there has been one improvement made on the initiative of my hon. friend, the Minister of Finance, which has been quite important. I refer to his invitation to Mr. Riddel, who recently retired from the Wheat Board, to go to Vancouver and take over the chairmanship of a co-ordinating committee on which the wheat board, the railways, the port authorities, the terminals and all interested in the movement of wheat in the port of Vancouver are represented. They meet every day to view the situation and clear up any bottlenecks that exist. That was done at the head of the lakes from late August or early September until the close of navigation and it did help to improve the situation there.

I have no doubt that with one person really keeping his eye on this situation and on nothing else there will continue to be this improved movement. At the same time I think we all have to recognize the fact, as I said late on Friday, that neither the railways nor anyone else had foreseen the extent or the magnitude of the traffic that the railways and all other carriers have been required to carry in Canada in the last year and are still being required to carry. You just cannot create box cars overnight if they do not exist. The only immediate way of helping the situation is, of course, by making the most efficient possible use of them. I quite agree with the hon. gentleman that we must do everything we can from that point of view. But I think the railways and everybody else concerned with the movement of traffic in Canada have probably got to think a little bigger than any of us have in the past if we are to keep up with the growth of the country.

Mr. Bell (Saint John-Albert): Mr. Chairman, may I ask the minister a question?

Mr. Pickersgill: Yes.

Mr. Bell (Saint John-Albert): Has the minister any figures with regard to the east coast just so we will not lose sight of this part of Canada? Tomorrow will be fine if he has not the figures today.

Mr. Pickersgill: I hope to have them this afternoon so we may conclude these estimates this evening—

Some hon. Members: Oh, oh.

Mr. Pickersgill: —and give my colleagues a chance to enjoy this atmosphere.

Mr. Bell (Saint John-Albert): Does the minister realize that during the question period he invited two more hon. members to speak this afternoon on his estimates?

Mr. Starr: Every time the minister makes a speech he brings on four more speakers.

Mr. Pickersgill: I am overcome, Mr. Chairman.

Mr. Starr: You overcome yourself.

Mr. Orlikow: Mr. Chairman, the scope of this department and the far reaching effects which its decisions or lack of decision and lack of policy have on every citizen of Canada are so important that I think the minister is dreaming if he really believes that the unsatisfactory answers members of this house have received up till today will permit his estimates to pass today, tomorrow or even on Wednesday. If there is one thing that is obvious it is that this government has no policy with regard to transportation. Here is a department which should be administering the railways, steamships, air services and communication systems of this country in addition to the Atlantic Development Board and organizations such as the St. Lawrence Seaway Authority; yet in every field this government has procrastinated, ignored requests and refused to make decisions which are of vital importance to every part of this country. So great has been their lack of leadership in this regard that the morale of people working on the railways is so low—I think I can speak of this with some knowledge, representing as I do probably as many railway workers as any other member of parliament—that I want to warn the minister that in my opinion, on the basis of what I have been able to ascertain, there will be a strike on the railways of this country this year.

• (4:20 p.m.)

I do not know whether or not negotiations will proceed to the point where a strike will be legal. However, if the Canadian Pacific, which is being allowed to do anything and everything it wants to do by the government and the Board of Transport Commissioners, is permitted to continue in its arrogant way as it did with the "Dominion", if it is permitted to continue making unilateral decisions as it did about the pension fund, if it is permitted to continue to steal from the pension fund, then I want to warn the minister, Mr. Chairman, that there will be a strike this year, the consequences of which none of us can estimate.

Before I deal with the Canadian Pacific I want to spend just a few moments on a subject which has united the people of my city of Winnipeg and of my province of Manitoba as no issue of which I am aware has done for the last 25 years. Here is an issue on which party division no longer exists. Here is an issue on which both newspapers, one a long time 100 per cent supporter of the Liberal Party, the Winnipeg *Free Press*, and the other, the Winnipeg *Tribune*, a Conservative newspaper, are completely united.

I refer, of course Mr. Chairman, to the complete failure of this government and this minister to evolve policies with regard to air transport which are acceptable to the people of Manitoba. It is not my intention to debate this subject at length today. I want to tell the minister that when the estimates of his department go before the transport committee and the President of Air Canada comes before that committee, the President should be prepared to spend a long time in Ottawa rather than in his office in Montreal. I know other members are interested in the same subject. It is obvious that the President of Air Canada lied to the people of Winnipeg, lied to the government and the former government about his intention with regard to the air base in Winnipeg. He continued to lie and he continued to ignore the policies laid down by the Prime Minister and the former minister of transport in this government and I presume, although he has not had very much to say publicly, by the present Minister of Transport.

In February, 1949, Mr. Gordon McGregor, President of the then Trans-Canada Air Lines, announced that 155 persons in the operations and administration staff of Trans-Canada Air Lines, which at that time had its head office in Winnipeg, would be transferred to Montreal. He made this statement:

> There is no conceivable reason, nor any grounds for suspicion, that this move marks the beginning of a mass transfer of T.C.A. activities from Winnipeg to Montreal.

Since that date in 1949 not a year has gone by but another department of Air Canada, as

it is now known, has been transferred from Winnipeg. I believe the present Minister of Transport knows that any number of representations have been made to the present government and were made to the former government about this matter and more recently about the transfer of the repair base.

Not only did Liberal candidates, not only did Liberal newspapers, promise that this government would take action, but the Prime Minister said on November 22, 1963, in this house:

> For at least as far ahead as planning now extends, that is at least ten years, the Winnipeg facilities will continue to be used.

My colleague, the hon. member for Winnipeg North Centre asked on that day whether the facilities would not be nibbled away as had been the case during the last few years. The Prime Minister interjected to say:

> It may be increased.

The former minister of transport stated:

> I would hope it would be maintained and probably increased, but I cannot be precise on the matter at the moment.

The government appointed one man, a very competent person from Winnipeg, Mr. Thompson, to make inquiries into what should be done. I do not know why that report is not yet available. However, I want to tell the minister that if it is not available shortly and if the minister does not take some action quickly, the whole matter will be academic because the fact is that Mr. McGregor has continued to ignore the statement of policy made by the Prime Minister from the day it was made. Long service employees of Air Canada, from the day the Prime Minister made that statement of policy, have contined to be transferred from Winnipeg to Montreal. The result is that there are now many more people working at the base in Winnipeg who are temporary employees, in other words, they are new employees, while people with 10 or 15 years of service with Air Canada have been transferred to Montreal.

I want to say that I have never seen such arrogance, such complete repudiation of government policy by a civil servant as has been exhibited by Mr. McGregor. I want to say to the minister that if he does not intend to take any action, and it does not seem to me he has taken any action, Mr. McGregor will have a somewhat difficult time when he comes before the committee.

At the time of the discussion of the decimation of the base in Winnipeg the government promised it would adopt other policies to make Winnipeg a regional air centre. Recently the government of Canada concluded an agreement with the government of the United States with regard to air routes. One would have expected, in the light of the promises made by the Prime Minister and by successive ministers of transport, that consideration would have been given to helping Winnipeg make up the loss of the repair base by increasing the air routes which are used to fly into and out of Winnipeg. The exact opposite is true. The new air routes agreement between Canada and the United States makes no provision for increased flights from Winnipeg to the United States.

The Winnipeg *Free Press* said in an editorial of January 3, 1966, which I commend to the minister because I am sure he has been a lot friendlier to them than I have been, but I do not know how he will feel after he reads what they are saying about his policies:

> The new air route agreement between Canada and the United States is a bitter disappointment to western Canada and confirms what many people feared would happen during the two-year negotiations: The American carriers have been far more successful in putting spine into their government's negotiators than have their opposite numbers in Canada.

I should like to interject that I do not believe it is possible to put spine into this government or into this minister. One would have hoped that, as an old resident of Manitoba and coming from a have-not province as he does, he would have given some consideration to a have-not province like Manitoba. The consideration, I feel, has been virtually nil. The editorial continues:

> From the west's standpoint the agreement is a total loss. In the whole vast region between Toronto and the Pacific coast not a single Canadian air line will be permitted to offer trans-border services. Even at the west coast the only gain will be a competitive service between Vancouver and San Francisco—presumably to be awarded to Canadian Pacific—and in return for this an American air line is to have a monopoly on the Vancouver-Los Angeles run.
>
> Failure of the Canadian negotiators to obtain a Winnipeg-Chicago franchise means that the revolutionary criterion suggested by Professor J. K. Galbraith in his report to the two governments two years ago—that convenience of the travelling public be the principal consideration of allocating routes—has been almost completely ignored. Western travellers wishing to go to Chicago will continue to have to double-back from Toronto or else patronize the milk-run, many-stop service offered by an American carrier via Minneapolis.

• (4:30 p.m.)

Mr. Pickersgill: I am sure the hon. gentleman does not want to be factually inaccurate

and that last sentence, of course, is factually inaccurate. The new air agreement provides for a direct flight to Minneapolis, not for the kind of milk run route that there has been in the past. That was not recognized in the editorial.

Mr. Orlikow: I accept the minister's correction but I was quoting the editorial in the Winnipeg *Free Press*. In any case, the minister, having lived in Manitoba for a long time, should know there is a vast difference between flying direct from Winnipeg to Chicago and flying from Winnipeg to Chicago with a stop at Minneapolis. It may not be as bad as making three or four stops but it is not a direct flight.

I think I have indicated in these few remarks with regard to air routes and policy sufficient to show how dissatisfied are the people of Manitoba with the state of affairs. I suggest to the minister that, unless this government mends its ways, when the next election takes place the Minister of Veterans Affairs will cease to be the only Liberal member from Manitoba.

Having dealt with air routes I should like the minister to look at a matter which is of tremendous importance to the people of my city and the people of Canada as a whole, namely, the failure of this government to control the completely unmanageable and insatiable appetite for profits of the Canadian Pacific Railway. I wish the Minister of Transport had been able to make that quick trip through western Canada which the Minister of Agriculture was able to make. It is true that the views of the Minister of Agriculture which were expressed in western Canada did not stand up very long when he got into a room with the present Minister of Transport, the Minister of Finance, and their good friend, the President of the C.P.R.

I should just like to put on the record a few of the things which the Minister of Agriculture had to say, ideas which were greeted with a great deal of satisfaction by the people of western Canada regardless of their politics and will not be forgotten. The lack of action to implement the things which the Minister of Agriculture said will not be forgotten either.

I should like to quote from a report by Joyce Fairburn of something the Minister of Agriculture said, as found in the Winnipeg *Free Press* of January 13, 1966. What the minister said is in direct quotes.

"I have no sympathy with the (C.P.R.) attitude that we can make more dollars by abandoning rail lines and renting box cars to the United States because we are a private corporation and we can do as we like".

Later he said:

"That public duty"—

I presume he is talking about the C.P.R.

—"did not stop in 1867 and it has not stopped now"—

"The C.P.R. should give us certain of its amenities such as oil before calling 'profits first and public rights later'," said Mr. Greene.

What are these obligations, Mr. Chairman, which the C.P.R. undertook? The C.P.R. made an agreement with the government of Canada which was signed on October 21, 1880. They undertook by paragraph 7 of the agreement to do this:

—and the Company shall thereafter and forever efficiently maintain, work and run the Canadian Pacific Railway.

The attitude of the C.P.R., as expressed in its testimony before the Board of Transport Commissioners, is that "efficiently" means efficiently for the C.P.R., that it means profits for the C.P.R. I do not know whether the C.P.R. has ever made a request to the Board of Transport Commissioners which has not been agreed to by the Board of Transport Commissioners. I suggest to the minister that we ought to stop paying the salaries and expenses of the Board of Transport Commissioners. The place for that board is in Windsor Station. Let the C.P.R. pay their salaries because they are acting as office boys for the C.P.R.

When the government of the day made an agreement with the C.P.R. under which the C.P.R. undertook to supply efficient service across Canada they were given certain grants. I should like to put on the record what the C.P.R. were given. The President of the C.P.R. probably has more gall than any person in Canada. Among the speeches he made last year was one to the Canadian Manufacturers' Association in June which was reported in the Ottawa *Citizen* for June 7, 1965. I should like to read a couple of paragraphs from their report:

R. A. Emerson, president of the Canadian Pacific Railway, told the 1,600 delegates of the CMA that governments—federal and provincial—have overstepped their primary purpose of providing public services.

If there ever was an organization that would not provide public service, it is the C.P.R. The article continues later in this way:

Mr. Emerson said that the primary role of government in the economic life of the nation was to provide only those services which were not

suited to private enterprise, such as the handling of mail, provision for roads and streets, and public education.

Well, Mr. Chairman, no company could do less to meet the needs it is supposed to meet than the C.P.R. It is interesting to note that the C.P.R. has consistently refused to tell the public of Canada about its business. As so often happens, one has to go to the United States for information. The C.P.R., in order to meet the requirements of United States law, Canadian law being so deficient in this respect, filed information about its operations with the securities and exchange commission of the United States. In addition to other information they supplied the following which I think should be of interest to the minister and members of the house. C.P.R. President R. A. Emerson, along with the chairman of the board, Mr. N. R. Crump, and the vice president, Mr. Ian Sinclair, earned by way of salary in 1964 an aggregate of $253,592 from the C.P.R. There is no poverty for the heads of the C.P.R.; they are looking after themselves very well.

• (4:40 p.m.)

What did the government of Canada give to the promoters of the C.P.R. in order to get this efficient service which the C.P.R. was to provide by way of transportation? As of December 31, 1963 the C.P.R. had been granted a total of $106 million and 44 million acres of land by federal, provincial and municipal governments. This can be broken down as follows: Monetary aid—federal cash subsidies, $53,320,028; expenditures by the federal government on lines turned over to the C.P.R., $35,117,152. This makes a total of $88,437,180. The C.P.R. also received in provincial aid $12,582,000 and in municipal aid $5,261,000, for a grand total of $106 million.

In land grants they received from the federal government almost 33 million acres and from the provincial governments 11,122,000 acres, for a total of over 44 million acres of land. Mr. Chairman, the government land grants have been and continue to be a source of tremendous capital gains to the C.P.R. The true worth of these lands is not reflected in the company balance sheet. The balance sheet of the company lists an item of unsold lands and properties at a value of $9 million. That this is ridiculously low may be seen from the fact that in 1963 and 1964 the company realized $26.3 million and $64.2 million respectively from sales of land. A conservative appraisal of the value of land grants to the C.P.R. is $440 million in total.

These figures have been taken from the Canadian Pacific's annual reports and can be expanded at a later date. The point I wish to make is that this country has been extremely good to the Canadian Pacific, but what we have had in return is a complete failure on the part of the present directors to give any consideration to the needs of the people of the country. That this has become the feeling of the people of Canada may be seen if one looks at a resolution passed on January 25, 1966, by the Canadian Federation of Agriculture, which is not known as being a particular radical organization. The resolution is headed: Nationalization Of Canadian Pacific Railway. It reads:

> Resolved that we recommend that the Canadian Pacific Railway lines and necessary operating equipment be nationalized; assets to be taken over by the Dominion of Canada, at actual value less a reasonable amount for all land grants, mineral rights, and other concessions received by the Canadian Pacific Railway from the Dominion of Canada.

It is obvious why this resolution has been passed. The Canadian Pacific obviously has decided that it does not need to try to meet the needs of the people of Canada. Furthermore, it is obvious that the Board of Transport Commissioners will do nothing to make them live up to their obligations. May I point out that I have read the decision of the Board of Transport Commissioners regarding the "Dominion". Representations were made to the board on this matter by representatives of the Canadian Pacific's workers. Representations were made by the four western provinces. These representations were ignored completely by the Board of Transport Commissioners. The only thing which concerned the Board of Transport Commissioners was the fact that this one operation was losing money. It seems to me that if this is all that counts we are saying in effect that this company can do no wrong. When they lose money we will let them discontinue the run or we will give them a subsidy. When they make money it does not concern us. Therefore, heads they win; tails we lose.

Not only was the Board of Transport Commissioners not satisfied with making that disgraceful decision but they added insult to injury the other day when they issued another decision saying that the Canadian Pacific did not have to put the "Dominion" back into operation next summer. The fact that the railways are extremely busy in the summer

with the tourist trade and the fact that this country is engaged in a continuing drive to attract United States tourists to come here and that those tourists may come by railway is of not consequence to the Canadian Pacific. It obviously is of even less consequence to the Board of Transport Commissioners. It would seem to me to be a good idea for the government to consider wiping out the Board of Transport Commissioners as now constituted and setting up in its place a real transportation board with personnel and staff who desire to do the job which the present board, and this government today have not even considered.

I want to talk about one other matter, Mr. Chairman, which is of tremendous importance to the people who work for the Canadian Pacific Railway Company. I refer to the unilateral decision of the C.P.R. to change the basic structure of its pension plan. I submit that the whole concept—

Mr. Pickersgill: Mr. Chairman, I do not want to interrupt the hon. gentleman and I have not shown any inclination to take any narrow exception to anything he has said. However, it does appear to me that this question of pensions in respect of the Canadian Pacific is something which even by the widest stretch of administrative imagination would fall outside my responsibilities. If the hon. gentleman wishes to speak on this subject he should do so when the estimates of the minister responsible for this matter are before the committee.

Mr. Orlikow: Mr. Chairman, I have only a few minutes left. It really does not matter whether I speak on this matter on the estimates of the Minister of Transport or on some other minister's estimates. I wish to warn the minister and the government, however, that there is great dissatisfaction with the arrogant, unilateral decision made by the Canadian Pacific and I want to reiterate what I said at the beginning, that unless this issue is resolved and resolved in the near future there will be a stoppage, legal or illegal, of the services of the Canadian Pacific. I think that this matter is of such importance that it should be raised now. I and other members of parliament have enough information, I think, that if the minister does not know the situation we can give him the facts so that he and his colleagues can go to work on it. It does not matter to me, Mr. Chairman, because I can wait. The minister and the government will have to take the responsibility when the stoppage which I predict will take place does take place. It will be because this company has made unilateral decisions and has ignored and flouted the desires of its employees in such a way that no self-respecting employee in a democratic society can possibly accept them.

I will bow to the suggestion of the Minister of Transport and go on to something which I think should be discussed. I spoke a few days ago—

The Deputy Chairman: Order, please. I regret to interrupt the hon. member but the time allotted for his speech has expired.

Mr. Pickersgill: Mr. Chairman, I should like to take, as is my right under the rules, exception to one statement and one statement only that I understood the hon. gentleman to make. I understood the hon. gentleman to say that Mr. McGregor had lied to me. I do not believe that Mr. McGregor has lied to me. I have not the slightest vestige of evidence for this statement and I do not think it would be fair to Mr. McGregor to leave it on the record.

Mr. Orlikow: I do not want to continue the debate, Mr. Chairman. If the minister makes the statement that Mr. McGregor has not lied to him, then of course I will accept that. I said that Mr. McGregor lied to former ministers of transport. If he is not lying to this minister I am quite happy, but I retract nothing—

The Deputy Chairman: Order, please. I regret to interrupt but the time allotted to the hon. member has expired.

• (4:50 p.m.)

Mr. Scott: On a point of order, Mr. Chairman, it is my understanding that after a member ceases to speak in committee and another member intervenes in the debate the member who has been interrupted may continue. If he wishes he can go on for another 30 minutes.

Mr. Pickersgill: He has to be recognized.

Mr. Nasserden: I think the hon. member should not refer to somebody else as lying or as a liar and repeat it two or three times before the committee when the person involved is in no position to protect himself, not being a member of the house.

Mr. Byrne: That is typical of the N.D.P.

The Deputy Chairman: I did not recognize the hon. member and the time allotted for his speech has elapsed. I recognize the hon. member for Coast-Capilano.

Mr. Davis: Mr. Chairman, I should like to say a few words about the development of the port of Vancouver. I should like to urge the government and the harbours board to press on with their imaginative plans for the development of this port. Meanwhile I would ask the minister and hon. members to ignore some of the criticisms which have been directed against the manner in which the port of Vancouver is operated. I am referring in particular to comments made by certain provincial cabinet ministers in British Columbia.

At the outset I would emphasize the importance of the port of Vancouver. If it is not yet it will soon be the busiest, most productive and most efficient port in this country. As some hon. members have said, it is the busiest port on the west coast of North America. It is busier than Los Angeles, Long Beach, San Francisco and Seattle combined. It is moving more than 20 million tons of cargo this year. The largest port in the world, the port of London, is moving cargos of the order of 60 million tons. In other words, Vancouver already looms large on the world scale. Vancouver is gaining on Montreal. By 1967 or 1968 Vancouver will probably become Canada's busiest and most important port. I have drawn this quick comparison with Montreal because I wish to make certain other comparisons using figures I have extracted from reports of the National Harbours Board. First of all, speaking as a British Columbian I want to say that we in the west do not want to miss out on anything. We are out on the end of a long limb, and we do at times feel we are left out of things—that we should speak out more often and more effectively, particularly in parliament and other places in eastern Canada, in order to get our fair share of federal assistance with respect to national development and expenditure by the harbours board. People out west, in other words, think of the port of Vancouver as being a sort of cinderella. Her governess has other daughters in eastern Canada of greater age. Though less attractive they have been able, year after year, to get more attention than Vancouver, the cinderella among our ports.

Here are a few figures to emphasize the point I am making. The capital assets of the port of Montreal are now of the order of $188 million. This figure is taken from the last published report of the National Harbours Board. The capital assets of Vancouver amount to about $58 million. In other words, there has been three times as much invested over the years in Montreal as in Vancouver although, as I have mentioned, the tonnage moved by the two ports is now comparable. From 1956 to 1964 investment in Montreal has been about six times as great as investment in Vancouver. I am speaking, of course, of investment by the National Harbours Board. In other words, despite the comparability of the tonnage moved there has been a much heavier investment by the nation in the port of Montreal and an increasingly heavy bias toward Montreal a bias which I believe is about to be corrected and will be further corrected in the years ahead.

I have looked over the estimates for the current fiscal year. I have glanced too at the estimates tabled today for the year ending March 31, 1967. As I looked over the details on page 517 under the heading "Department of Transport—National Harbours Board" I saw many ports listed as receiving capital assistance toward construction, acquisition of buildings, equipment and so on. I saw reference to such ports as Halifax, Saint John, Quebec and Churchill. These are all ports which will receive investment capital during the coming fiscal year in sums totalling more than $5 million. This money will come out of the general revenue of Canada.

I noticed specifically reference to the area of Montreal. The estimates for 1966-67 also include $544,000 for Expo '67. This year I believe this figure is in the order of $4.8 million. Another item is the Jacques Cartier bridge deficit, $328,000, also paid through the National Harbours Board. These are all items which involve the expenditure of taxpayers' money. They involve taxes which have to be collected currently in order to meet losses in these harbours of eastern Canada.

What were these losses? At Saint John the total was $1.1 millions, at Halifax, $442,000, at Quebec, $700,000, at Montreal, $1 million, at Churchill, $336,000. These figures are for 1964 as reported by the National Harbours Board. But the port of Vancouver, as is typical, made a profit, last year amounting to about $1,500,000. So we have in Vancouver a harbour which handles a volume of shipping comparable with Montreal. It does this on the basis of a federal investment one third of that invested in Montreal. It is a harbour

which earns a profit whereas the port of Montreal loses money.

I would suggest that the funds amounting to nearly $20 million which have been accumulated to the credit of the port of Vancouver and put away in Canada Savings Bonds should be invested in new facilities around Vancouver at an increasing tempo. I know that the harbours board in Vancouver has a program providing for the investment of $5 million this year. But I suggest this tempo should be doubled and that an investment in the order of $10 million a year be made for the next five or six years in order to reinforce success.

Vancouver is an efficient harbour. There is no need there for continuous dredging. It does not have a pollution problem like that which the port of Montreal faces. It is thoroughly profitable and it is well run. I should like to underline this fact. The credit balance which has been developing over the years speaks well for the management in Vancouver. Personally I have only the highest praise for the chairman of the board. Mr. Howard Mann is, I think, a perceptive man; he looks a long way ahead. I should also like to congratulate the local port manager, Captain Barney Johnson, who runs a very tight ship. But we still need more imagination, a bolder approach, a more outward-going attitude. I have no doubt that the funds which have been accumulated by Vancouver could earn far more than 4 or 5 per cent. I am confident there are investments to be made in Vancouver itself which will earn 10, 15 or even 20 per cent. Evidence of this can readily be found in the activities of private enterprise in the area.

• (5:00 p.m.)

The harbours board occupies about one third of the waterfront. The remaining two thirds are occupied partly by Indian lands and partly by private corporations. Those corporations have recently been building bulk terminals. Two have already been completed. Both are being expanded and a third very large one will soon be announced for construction on the north shore in my riding. There is also another new grain elevator there. Developments are forging ahead in terms of tens of millions of dollars in investment, and these firms are raising money in competition with other parts of Canada, money on which returns of 10 per cent, 15 per cent or 20 per cent are envisaged.

I suggest that the National Harbours Board would do well to match private enterprise development in that area rather than nurse Vancouver along as has been done with some eastern ports. We should do our best through the National Harbours Board to make a complete success of a port which serves all of western Canada, which serves at least a quarter of the people of this country and which serves many industries based on our national resources, be they forest, mineral, agricultural or otherwise.

I should like now to say something briefly about the rates levied in the various harbours across Canada. It has been charged by the minister of industry and commerce of the province of British Columbia specifically that the port rates in Vancouver are three times those in Montreal. This is nonsense. He or certainly his staff, by going carefully through the annual reports of the National Harbours Board, could have found out to the contrary. The facts are essentially that the rates are comparable.

I have made a rough attempt to arrive at figures by summarizing the various charges which have to do with wharfage, docking and dry cargo handling charges, and I came to the conclusion that the average income of the National Harbours Board per ton in Vancouver is of the order of 23 cents and in the port of Montreal is of the order of 26 cents. So in an over-all and very general way the cost is somewhat lower in the port of Vancouver. In other words, the rates are somewhat less there.

I asked for an example of the berthing charges and the National Harbours Board has given me an example indicating again that the berthing charges are less in Vancouver. They tell me that a modern vessel, 550 feet long and of 13,950 net registered tons, in berth from 8 a.m. on Monday morning until 4 p.m. on Friday, would pay $726.70 in Vancouver and in Montreal it would pay $1,778.63 or more than twice as much.

Again I should like to stress that there is a good reason why costs and charges in Vancouver should be less. We have a large harbour provided by nature for the convenience of man. We do not have to spend a lot of money to create such a harbour. In Montreal they are fighting against nature. They are fighting a river. They are fighting low temperatures in wintertime and at the moment at least, they are also fighting municipalities which have not made adequate

arrangements to look after their own pollution problem.

I should like to compare very briefly the charges on the United States west coast with those in Vancouver. Generally speaking they are 15 to 25 per cent higher. In other words, the port of Vancouver levies rates similar to those charged in Montreal and lower rates than those charged on the west coast of the United States. Therefore I do not think we need bow our heads or apologize in any way for the manner in which charges are levied in Vancouver harbour.

I should now like to say a word about forward planning. I have mentioned that the National Harbours Board in Vancouver occupies about a third of the waterfront, that private enterprise occupies a large area, and that increasingly Indian lands are being leased to private corporations for bulk loading plants, new grain elevators and the like. Up to about three years ago the port authority in Vancouver by and large went its own way, and while it endeavoured to answer inquiries from the neighbouring municipalities around the Vancouver area it did this on an ad hoc basis. Its relations with the railways and the various other companies were also on a piecemeal basis.

Then it was decided that we should have more information on the long-term plans, not just of the harbours board, but of the other operators around the harbour, including the much maligned C.P.R., the C.N.R. and so on. After a number of meetings we managed to set up—this was done under the former minister of transport, now Minister of Public Works—the port of Vancouver development committee.

I will briefly run over its terms of reference:

1. To ensure the preparation and periodic revision of short and long-range development plans for the port of Vancouver, with estimate of capital requirements and economic feasibility.

2. To ensure that such plans, when endorsed by it, shall be brought to the attention of the public and that appropriate action be taken by the various interests concerned.

3. To ascertain and advise on priorities for specific projects within the context of such development plans.

4. To provide a continuing means of liaison between the various economic interests of the port area and the port administration, with respect to both short and long range plans.

The membership of that committee includes the shipping interests, such as the Vancouver Chamber of Shipping, the Vancouver Merchants' Exchange, the railway companies, the trucking companies, the B.C. Wharf Operators' Association, the B.C. Terminal Elevator Operators' Association, the Vancouver Board of Trade, the North Vancouver Chamber of Commerce, the city of Vancouver, the city of North Vancouver, the city of Port Moody, the district of north Vancouver, the district of West Vancouver, the corporation and district of Burnaby and the National Harbours Board. There is also a labour delegate and the National Harbours Board has one representative on the committee of 16.

This port development committee has a budget. The budget is provided under one of the votes of the National Harbours Board. An executive secretary has been appointed together with a small staff, and a number of studies have been commissioned with consulting and other firms. The several studies now under way include a hydraulic model of the harbour to see what dredging, breakwater installations, dock installations and, even causeways might do to the harbour. Another project is a land inventory all around the harbour which will provide a comprehensive review of existing developments, developments under way and others that may be undertaken. A third project is the preparation of a long-term forecast of the traffic volume covering the nature of traffic and how it might ideally be served in terms of new facilities. The committee is also advising, although it does not have the last word, both the minister and the National Harbours Board with respect to the purchase of land for port development projects.

The port development committee is performing a very important function in that it is bringing the most knowledgeable people in the port area together and giving them a forum in which they can table their plans for the future. It gives those on the committee an opportunity to discuss individual plans, and the committee can publish reports on these plans. This it has an opportunity to do on an annual basis. It gives members of the public frequent opportunities to express their reactions to plans and revise their plans so that they are looking ahead in concert with one another.

I should now like to make a protest in this connection. The C.N.R., of course, does a great deal of business in and through the port of Vancouver. About a year ago, out of the blue so to speak, the C.N.R. chose to announce the construction of a tunnel and

bridge leading across to the north shore from Vancouver. As a representative of the north shore in parliament I am all for this tunnel and bridge concept. It is long overdue. But certainly a plan of this type should have been brought before and discussed with the port of Vancouver development committee before it was announced in all its detail to the press and public at large.

I think the C.N.R. would do well to co-operate effectively in every way with a consultative agency of the federal government like this port committee, a committee which I am convinced will assist in efficient long-term planning, one which will permit the public and certainly members of parliament like myself and others to understand what developments are under way in the port of Vancouver and what corrective action can be taken in the event of difficulties.

• (5:10 p.m.)

The C.N.R. is in process of building a tunnel costing about $12 million and a bridge costing about $9 million which will reach across to North Vancouver. This will for the first time give the C.N.R. access to the port of Vancouver in its own right without having to go over the rails of the C.P.R. The C.N.R. will have secure operations on the north shore in Vancouver. The C.P.R., as many members know, dominates the south shore. Some individuals have been critical of the fact that the C.P.R. appears to be a vested interest, very difficult to move at times, dominating the south shore. The C.N.R. has a great opportunity to serve the north shore giving proper access to adequate depths of water and so on. The length of the coastline, I can assure you, is just as good in this respect. Soon we will have our two national railways reaching tidewater in the port of Vancouver with their own rail access directly to ocean shipping. These operations will be fully effective within two or three years' time.

I would not refer to highway bridges except for the fact that the federal government, in so far as the port of Vancouver is concerned, has not paid one red cent for highway bridges across Vancouver harbour. There has been some argument about the Second Narrows bridge, but the First Narrows bridge was built by private enterprise and taken over by the government of British Columbia some years ago. The government of British Columbia began to build the Second Narrows bridge in 1957 as a toll bridge. Toll bridges are precluded from being part of the trans-Canada highway by definition. The province of British Columbia, with full knowledge of the consequences of its action decided to build this six lane bridge as a toll bridge and make it self-liquidating. That was the businesslike thing to do in the eyes of that government and it did it. This prevented the federal government forever, unless the Trans-Canada Highway Act is changed, from participating in the financing of that bridge even though it is an integral, physical part of the trans-Canada highway.

I mention this fact because in looking at the reports of the National Harbours Board—I am looking more specifically at the latest one for the year 1964—after the usual accounting of assets and liabilities I find a statement in respect of the profit and loss of the Montreal harbour operation. This shows the annual loss as $1 million. I find that the following page deals with the Jacques Cartier bridge at Montreal. It was operated at one time as a toll bridge but the previous government removed the tolls just prior to the 1962 election. These tolls were removed when that bridge was still a long way from being paid for, so the Canadian taxpayers must foot the bill for that bridge with a book value of $24 million and a net loss for 1964 of $683,-239.

The next page deals with the Champlain bridge which has an asset book value of $37 million and had a net loss of $1,713,471 for the year 1964. So wrapped up in the Montreal situation so far as the federal taxpayer is concerned is not only the loss of $1 million on the harbour itself but a loss in respect of bridges totalling close to $2,500,000 per year.

We need another crossing over the harbour of Vancouver. One of these days we are going to have to come to the federal authority, if only because the National Harbours Board has a veto in respect of where such a bridge can be located. It must be located in such a way that it will not hamper ships moving in and out of the harbour. It must also be located so that waterfront development is optimum from the point of view of having the right facilities in the right places. I hope and trust that the federal government will participate in the financing of such a crossing and I hope and trust that we will be able to arrange, with the original impetus coming from the province of British Columbia, for a freeway development through the downtown area of the city of Vancouver, with federal assistance for an urban renewal program and so on. With assistance from the National Harbours Board in respect of a freeway development

we will begin to solve our other surface transportation problems as well.

In conclusion, Mr. Chairman, I should like to say a word about a passenger terminal and by that I mean a terminal for ocean-going passengers. Vancouver has been used for decades by large passenger ships. Ships currently on world tours still come into the port of Vancouver. They come there to woefully inadequate facilities, ancient facilities, second rate facilities which certainly do not show Vancouver to its full advantage. These facilities are owned by the C.P.R. which loses money in their operation. It could use the same dock space for handling dry cargo and realize another $100,000 per year but it is not economical for the C.P.R. to do so when there is, at least for the current 12 month period, a continuing arrangement with the operators of the ocean liners to the effect that the C.P.R. will permit them to embark and disembark passengers at this point.

I understand that the Canadian Pacific Railway has a very large multimillion dollar real estate development in mind for the downtown area of the port of Vancouver involving downtown Vancouver right along the oldest section of the waterfront for a distance of up to a mile. This involves not just millions but perhaps hundreds of millions of dollars and will include passenger dock complex with stores and a trade centre to display the wares of western Canada thus giving passengers an impression of western Canada as it really is and not as it was 50 or 75 years ago. I understand that the National Harbours Board has been holding discussions with some of the executives of the C.P.R. in this connection, and I trust that this passenger terminal will be an integral part of the port, including a freeway along or close by the waterfront, and that working with the new port of Vancouver development committee the C.P.R. and the National Harbours Board, like the local boards of trade and other interests, will settle on a plan which will be to their mutual advantage and which will shortly begin to take form on the waterfront of Vancouver.

Finally, Mr. Minister, I have seen a reference in the press to the effect that you may be coming to Vancouver. We will welcome you there and we would like to take you around the port of Vancouver. We would like it even better if you could bring some of your colleagues. It would be very pleasant to have the cabinet come to Vancouver to hold one of its meetings there. If the cabinet considered nothing else than giving the port of Vancouver parity of treatment with the port of Montreal I think this would be in the interests of the people of Vancouver, the province of British Columbia, all of western Canada and, I suggest, the country as a whole, because in Vancouver we have what is going to be Canada's biggest port, what is, already, our most efficient port. I trust that in the forward planning of the National Harbours Board this vision will be kept in mind.

[Mr. Davis.]

Mr. Pascoe: Mr. Chairman, I should like to make a few comments in this general discussion of the railway transportation system in Canada. I intended to refer in some detail to the box car situation and the movement of grain in the west, but this subject has been specifically covered by a number of members and particularly this afternoon by the hon. member for Battle River-Camrose. All I shall say on this subject at this time is that I endorse what those hon. members have said.

We were all very interested this afternoon to hear the minister outline what he referred to as an improvement in the movement of grain during the last few weeks. In this regard I should like to ask why the government waited so long to take action of this kind. The hon. member for Qu'Appelle, a former minister of agriculture, advocated the establishment of a committee some months ago. I was in the house when he made such a suggestion but evidently his suggestion has only recently been acted upon. In this regard perhaps I should paraphrase what the Department of Labour has been suggesting: Why wait for spring? That is apparently what has happened in this regard because this problem has continued during the winter months.

• (5:20 p.m.)

I should now like to make a comment or two about the curtailed railway passenger service on the prairies. A few days ago the minister said in the house that the decision of the Board of Transport Commissioners to allow the cancellation of the C.P.R. transcontinental "Dominion" to carry on into the summer would not help him pass his estimates, and he now knows that it has not. However, Mr. Chairman, I think the fact that he has agreed to refer the whole question of railway passenger service to the standing committee on transport and communications will probably shorten this debate, because we intend to make more speeches at that time and go into the details of this subject a little more fully.

I should like to put the minister's statement on record. As reported in *Hansard* of February 4 the minister said:

—we might arrange to have the Canadian Pacific Railway appear before the Standing Committee on Transportation . . . to explain what they are doing and proposing to do in connection with their passenger service—

That was just a general statement. Then on February 8, as appears in *Hansard*—I put this on record because it is a definite commitment and we are sure the minister will live up to it—the minister moved:

That the subject matter of the adequacy of the present program and future plans for passenger service on the lines of the Canadian Pacific Railway to meet the effective demand of the public for such service, and the effects of such program and plans, be referred to the Standing Committee on Transport and Communications for their consideration and report.

I am very pleased this is going to happen because I represent an area that is on the main line of the C.P.R., namely, the city of Moose Jaw and a large part of the city of Regina. These two cities are very much concerned about the curtailment of railway passenger service and the effect it will have upon the economies of their communities.

In order to impress upon the minister the great concern in western Canada over the fast developing curtailment of railway passenger service I should like to quote one brief statement in a notice by the Civil Service Commission of Canada. I received this notice a few days ago. It is in regard to vacancies in the position of district inspector on railway car equipment. I was impressed by this first statement:

The operating branch of the Board of Transport Commissioners of Canada is concerned primarily with matters relating to adequacy of rail services to the public—

We intend to impress upon the government that we expect them to follow this policy in determining what is needed in regard to passenger services. I should like to repeat what was said by the Civil Service Commission of Canada, that the Board of Transport Commissioners is concerned primarily with the public interest in regard to railway passenger services.

In connection with railway policy, Mr. Chairman, I wish to refer to another statement attributed to the Minister of Transport. He is reported to have said that economic and social factors involved in railway problems should overrule the railways balance sheet. The minister said that in his view that public interest should be put first. These statements put both the Board of Transport Commissioners and the minister on record as supporting a railway policy primarily concerned with public needs.

As I say, Mr. Chairman, I represent two important cities that are situated on the main line of the C.P.R. These are only two of eight cities between Calgary and Winnipeg. On January 25 the mayors and aldermen of these eight cities met in Moose Jaw and had a very long discussion. I have here the minutes of their meeting and they fill 12 pages. I shall not inflict them upon this committee or the minister but I should like to give a short summary in this respect. I have read all of the minutes. The delegates were from Winnipeg, Portage la Prairie, Brandon, Regina, Moose Jaw, Swift Current, Medicine Hat and Calgary. They all expressed concern at the curtailment of railway passenger service in western Canada. As I say, Mr. Chairman, I am just summarizing the minutes of the meeting.

It was agreed that positive action had to be taken through a meeting with the federal government to emphasize that service to the public should be the main consideration in any railway operation. It was stated that railways were a prime factor in tying western and eastern Canada together. The delegates all agreed that there was need for greater passenger service rather than less. They said it was apparent that the C.P.R. had cut service to the point where no one used the "Dominion" and then had been able to go to the Board of Transport Commissioners and claim that the "Dominion" operation was losing money. To counter this move the delegates agreed that it was necessary to insist that the C.P.R. had undertaken an obligation to the Canadian people when it was given large cash and land grants, on the understanding that it was to efficiently maintain, work and run the railway in perpetuity. The delegates said that the railway should be held to these obligations and responsibilities.

One city official said that the time to fight it out with the C.P.R. was long past and the cities must now take their fight to the federal government. Referring to the Railway Act it was pointed out that the federal government had the power to vary or rescind regulations of the Board of Transport Commissioners. At the end of the Moose Jaw meeting a motion was passed calling for a personal presentation of the whole railway passenger problem to the Prime Minister and his cabinet in Ottawa

at as early a date as possible. The motion which was passed unanimously, stated that it was apparent that the Board of Transport Commissioners had not weighed the economic and social impact on communities affected by rail passenger service abandonment and had not realistically or objectively assessed the case argued by the communities against such abandonment.

I do not believe a definite date has yet been set for the meeting with the Prime Minister and the cabinet and I should like to suggest to the minister that arrangements be made to hold this meeting at the same time as the inquiry is started by the standing committee of the house.

Mr. Pickersgill: Mr. Chairman, perhaps the hon. gentleman would allow me to interrupt and say I am very grateful to him for saying that because I made exactly the same suggestion to the Prime Minister. I said that I thought the mayors would like to appear before the committee as well as before some of the ministers and that to save them two trips, especially when there are not too many trains to travel on, it would be desirable to hold both at the same time.

Mr. Pascoe: I thank the minister for his statement. We are interested in the Prime Minister's reply. Did he indicate that he would take such action?

Mr. Pickersgill: The Prime Minister indicated that he is quite prepared to see them and has left the date in abeyance at the moment pending arrangements for the setting up of the committee.

• (5:30 p.m.)

Mr. Pascoe: Then, Mr. Chairman, I do not have to impress this upon the minister in view of the fact that he has already suggested it to the Prime Minister. These two meetings should be held at the same time, namely, the meeting with the cabinet and their appearance before the committee. I should like to impress upon the minister the importance of having the meeting of the standing committee as soon as possible so that we can deal with rail passenger service. If adequate transportation facilities are to be provided for summer tourist travel, the question of Canadian Pacific service must be decided within the next few weeks. If the service of the "Dominion" has not been restored this summer, and it appears it is not going to be after the ruling of the Board of Transport Commissioners, at least there should be some form of dayliner

[Mr. Pascoe.]

operation to accommodate Calgary to Winnipeg passengers because a considerable number travel between these two points.

I have a transcript of the proceedings before the board on the hearing of the application for discontinuance of the "Dominion". It is a very long document and I certainly will not try to go through it. There are many questions that could be raised about this testimony. It is for this reason I consider it important to have the western city officials at the inquiry to hear the questions and the answers. There will be questions concerning the apparent lack of effort by the Canadian Pacific to encourage passenger traffic. We want to hear the company's answer to the charge that the company has discouraged train travel by inadequate accommodation and equipment. We want to compare the Canadian Pacific passenger policy with that of the Canadian National. It would appear that the operations of the "Dominion" over the last two years compare unfavourably with the Canadian National.

The facts in this regard were brought out in an article in a recent edition of *Week End* Magazine. The article is entitled, "The Great Passenger Experiment". It makes interesting reading, and I should like to quote one short paragraph to emphasize the point I am making concerning the lack of encouragement given to passenger traffic by the Canadian Pacific:

> Under the sceptical but watchful eye of its privately-owned competitor, the Canadian Pacific, the publicly-owned Canadian National is going all out to make the passenger business pay. And to do so it has chosen to apply a classic principle of private enterprise: That the way to drum up business is to improve your product and lower your price.
>
> The C.N. has modernized and speeded up its passenger trains—and it has cut fares. The result: More people rode C.N. trains last year than in any year since world war II. And passenger revenue, after falling ever since the war, is starting to rise again.

As I say, I just read this so that the committee can compare the record of the Canadian Pacific with regard to encouraging passenger traffic with that of the Canadian National. It would appear that Canadian Pacific deliberately curtailed service on the "Dominion" to the point, and I am speaking from experience, where it became unpleasant to travel on it. Prior to 1960 the "Dominion" operated as a conventional, transcontinental passenger train with coaches, diners, sleepers and head-end traffic. When it operated in this fashion the "Dominion" was very well patronized. The "Dominion" service was probably

well maintained up until June, 1965. In the last few months before its discontinuance the "Dominion" had only two coaches and a buffer car for the greater part of the time. Under these circumstances, the railway company should not be able to base its argument on a business loss sustained in the last year or so as the result of curtailed service.

In the judgment to allow the discontinuance of the "Dominion" the Chief Commissioner, Mr. Kerr, said that in his view Section 315 of the Railway Act imposes an obligation on the railway company to furnish adequate and substantial accommodation for the benefit of the public. The Assistant Chief Commissioner, Mr. H. H. Griffin, makes this statement in his judgment allowing the discontinuance:

—in formulating my opinion I have not weighed the economic or social impact on the communities.

I submit, Mr. Chairman, that this statement is not in line with the statement I read earlier from the Civil Service Commission advertisement. I will read that statement again for emphasis:

The operating branch of the Board of Transport Commissioners for Canada is concerned primarily with matters relating to adequacy of rail services to the public—

This is all I need to say at this time about passenger service. I should like to refer to one other small item, namely, the slowness of mail service especially with relation to the delivery of daily newspapers from western Canada. I have asked questions in the house in this regard and I have put a question on the Order Paper but have not received an answer yet. I refer, for example, to the Moose Jaw *Times-Herald* which used to arrive the second day after publication. Last week Monday's edition, in which I was particularly interested, arrived the following Monday, or one week later. I wrote to the publisher of the *Times-Herald* and I should like to put a brief extract from his letter of reply on the record. He wrote:

In discussing the situation with the local postmaster, I was able to determine that now that the "Dominion" is out of service, truck transit is the only available means of transit.

The papers were, of course, delivered daily to the post office and do leave here on a daily basis. I understand from my discussion with the postmaster that there is a need for transfer at such places as Winnipeg, Fort William and Sudbury going east and Medicine Hat and Calgary going west.

He felt the reason for your receipt of several newspapers on the same day would be a hold-up during transit or even at Ottawa.

I just mention that, Mr. Chairman. I have a question on the order paper and I hope to have an answer. I should like to impress upon the minister the fact that there are many side effects of the cancellation of the "Dominion" and the curtailment of passenger service. I give him fair warning that more of them will be brought out at the committee hearing.

• (5:40 p.m.)

[*Translation*]

Mr. Blouin: Mr. Chairman, I would not want to unduly delay consideration of certain items of the estimates of the Department of Transport, for, if I am not mistaken, we are now discussing sums of money which are already, or will be spent before March 31. Therefore I shall be very brief, and I would simply draw the minister's attention to certain points in connection with the estimates of his department.

There has been much reference to ferry systems across the country to ferry services and port facilities. At this point, Mr. Chairman, I should like to quote a few remarks in this connection from the Auditor General's report for the fiscal year ended March 31, 1965. With reference to port facilities, as reported on page 77 of his report, and more particularly in paragraph 122, the Auditor General says:

Continuing federal assistance to intra-provincial ferry services. In our 1963 Report attention was drawn to the continuing federal subsidization of ferry landing facilities for provincial governments despite the general policy of the Department of Public Works and the Treasury Board over many years to regard such facilities at either end of a ferry service linking an intra-provincial highway as the exclusive responsibility of the province concerned.

Further on, he continued:

Construction of the Matane terminal and dredging at Godbout were undertaken at that time on the understanding that the ferry operator would construct the Godbout terminal and acquire and operate the ferry without further federal assistance. Notwithstanding this, executive authority was granted in 1963 for entry into a three-year subsidy agreement.

And he added:

This acquisition has now brought to six the number of locations where the federal government has provided terminals at both ends of cross-river ferry services in the lower St. Lawrence river. The total expenditure over the years for these terminals, which in some cases form part of shipping wharves, had exceeded $7 million at March 31, 1965.

Mr. Chairman, considering these figures and reading this report, I need not tell you

that I do not agree with the Auditor General when he states that these ferry services should be the exclusive responsibility of the provinces.

I know that, in our case, the ferry service between the north shore and the south shore of the St. Lawrence river has been very useful to the people on both shores, and I feel that it should be considered an interprovincial service, because it is also used by people from the Maritimes, not only the passenger service, but also the freight service to ship various products, in particular potatoes from Prince Edward Island and New Brunswick as well as dairy products. I should add that this service offers to over half a million people, a means of transportation between the Maritime provinces, the south shore and the north shore.

Mr. Chairman, I would like to add, in passing, that developments on the north shore have been mentioned and that the Auditor General feels that such expenditures are not justified. On the other hand, I would like to call the attention of the house to the publication entitled "The Region with a Future" which contains statistics and says on page 88:

[*English*]

The federal government ought to benefit greatly from the industrial and mining developments on the north shore. On the basis of some $50 million of taxable income the government should obtain about $25 million yearly. Such a revenue would go a long way to compensate the government for whatever expenditure it will have made in the construction of wharves, terminals, icebreakers and for the subsidies it might have granted to ferry services and steamship companies.

[*Translation*]

I believe this is very significant, Mr. Chairman. And as I see the Minister of Transport (Mr. Pickersgill) right in front of me, I hope he is listening carefully and taking note of all these figures.

On February 11, speaking of the estimates for the Department of Transport, the member for Gaspé (Mr. Keays) has this to say:

Looking back over the estimates, and knowing the riding well, I believe there are two or three major projects which were to be undertaken immediately after that declaration by the minister. Not one of these projects has been carried out. At Ste Anne des Monts the money voted was intended for the repair of the wharf. Because of the bad state of repair of this wharf the ferry service between Ste Anne des Monts and Sept Iles has been discontinued, and any connection we have with the north shore of the St. Lawrence is by means of a detour through Matane.

I should like to tell my colleague from Gaspé that this is not quite true. The service between Ste Anne des Monts and Sept Iles was dropped precisely because the company claimed it was not profitable. In spite of an annual subsidy of $50,000 granted by the federal government to Ungava Transport Ltd. this company considered the service unprofitable and it was discontinued on November 30 last.

• (5:50 p.m.)

With regard to this subsidy, I should like to point out to the minister that this amount of $50,000 granted by the maritime commission was most welcome. Of course, I should be very pleased if the commission kept on granting such a subsidy because it could be put to good use in some places of my riding, for instance, for the service between Sept Iles and Blanc Sablon, this latter locality with a population of 15,000 people scattered along 450 miles of coast and with little or no service at the present time. I ask the minister to bring pressure to bear on those responsible, so that this amount of $50,000 may be used to improve the service between Sept Iles and Blanc Sablon.

Mr. Chairman, I said at the outset of my remarks that I did not want to extend the debate on these estimates. I shall have, no doubt, the opportunity to deal again with the estimates of this department later on and, at that time, I shall have a great deal to say about air transport, shipping, icebreakers, lighthousekeepers, construction of landing strips in remote, isolated and often forgotten areas. I shall certainly have the opportunity to say more.

A while ago, the hon. member for Coast Capilano (Mr. Davis) said that the port of Vancouver was more or less neglected. He also mentioned the tonnage handled there each year. I am aware of the fact that Vancouver has advantages we do not enjoy in the east. On the other hand, I should like to remind him that we too have very active ports in the east. I will mention only one at this time, the port of Sept Iles which is rated third in importance, not only in Quebec but in all of Canada. I would like to say to my hon. friend that quite recently, from January 1 to date, winter navigation was never interrupted and without assistance from federal government ice breakers. As our hon. friends often say the icebreakers are used in the lower St. Lawrence, let me say that this year, navigation never stopped, even without the assistance of icebreakers. From Sept Iles, third most important port in Canada, and since

January 1 only, more than two million tons of iron ore have been shipped. More than 16.5 million tons of iron ore were shipped through that seaport last year, and this is very important, I think.

I wanted to point out those facts because there is a lot of discussion going on here and there, and often in the house, about seaports, the importance of seaports, and the federal assistance they should get. Well, according to the publication "Region with a Future", it is crystal clear that the $25 million collected in taxes by the federal government more than compensate for the work the federal government did or could do in that most important seaport of Saguenay county.

Mr. Chairman, in closing, I would like to say that I hope the minister—I notice that he is taking notes—will not forget the huge developments which are now going on in my constituency and which will continue in the future.

[*English*]

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, since it is February 14, St. Valentine's Day, I would assume everything is hearts and flowers with the minister today and I thought he might feel rather disappointed if I did not have a few words to say in reference to his estimates while they are before the house. I wish to say a few words on a subject that is causing me great concern and has caused great concern to the residents of the towns of Sydney Mines, North Sydney and surrounding communities in reference to the situation that exists at the port of North Sydney brought about through the actions of the present administration in regard to the change in plans and mode of shipping goods to the province of Newfoundland.

On many occasions during the last session, right until we adjourned on June 30, I believe, I posed many questions in the house to the Minister of Transport and to the then minister of labour in regard to this matter. Those questions were evaded in every possible way. The ministers always said: Do not worry about this. It is not going to get worse. There will be more employment and everybody will be happy.

We did not have much success in extracting much information from the Minister of Transport or the then minister of labour. However, when we were safely out of here after June 30 the minister concerned issued a press release as to what would happen at the ports of North Sydney in Nova Scotia and Argentia and Port aux Basques in Newfoundland. We find, despite the fact that there was a reply to the question I posed to the minister almost two years ago, that there has been no real answer. As reported in *Hansard* on page 1359 of March 23, 1964, I asked the Minister of Transport the following:

> Is the minister aware that it has been suggested that employment will be reduced by 75 per cent? So it is not too early to start investigating the problem now?

I meant the problem of finding employment for those who would be involved in the releases and cut-backs announced by the government. The minister on that occasion replied:

> Experience has been that traffic has grown so much since confederation that employment is always going up, and this is likely to continue if we improve the communications between Newfoundland and the rest of the country.

I fully agree with the minister that freight shipments and so on have been going up every year. However, Mr. Chairman, it would be absolutely impossible to have shipments go up to such an extent as to take up the slack and create the employment which will be needed at the port of North Sydney when the cut-backs take place. Mr. Chairman, may I call it six o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Speaker: It is my duty, in conformity with standing order 39A, to inform the house that the following questions will be discussed on the adjournment motion tonight: The hon. member for Notre-Dame-de-Grâce (Mr. Allmand), Expo '67—Montreal—possible strike of construction workers; the hon. member for Winnipeg North Centre (Mr. Knowles), Pensions—inquiry as to legislation regulating private plans; the hon. member for Winnipeg North (Mr. Orlikow), equity of railway employees pension fund in provinces other thar Ontario.

The house will now proceed to the consideration of private members' business as listed on today's order paper namely, notices of motions.

DOMINION-PROVINCIAL RELATIONS

SUGGESTED WHITE PAPER ON RESPONSIBILITY IN CERTAIN FIELDS

Mr. G. W. Baldwin (Peace River) moved:

That, in the opinion of this house, the government should issue a white paper outlining with clarity and in succinct terms its views on certain areas of federal-provincial responsibility and, in particular, in order to settle confusion and to enlighten the people, give its opinion on the question of federal jurisdiction in matters involved in a program of manpower development, the war on poverty including assistance, welfare and family allowances, and corporations and institutions with credit and related functions in their objects and powers.

He said: Mr. Speaker, the reasons which persuaded me to put this motion down for debate have an additional urgency imparted to them following the recent scuttling of the Fulton-Favreau formula. It is typical of the strange political world in which we live that this final blow was struck by Mr. Lesage because in its final stages the form of the proposal had been tailored, at least in part, to meet the wishes of the Quebec government after the 1961-62 meetings. I am sure that if the formula could have spoken it would have said "et tu Jean" after he administered the *coup de grace*.

• (6:00 p.m.)

For the purpose of this discussion we can forget the merits and demerits of the proposal, though I must say that I made no secret that I had doubts about certain aspects of the formula when the matter was first up for discussion a year ago. But this is beside the point. At least if there had been approval of all parties it would have shown that the provinces and the federal government had developed a real ability to get along together. It would then have been possible to move toward the necessary constitutional changes that the exigencies of the present day demand. But now, weighing the results of the action by Mr. Lesage and his colleagues, it is quite certain that the mistrust and indignation with which at least some of the other provinces will view his stand render it unlikely, if not impossible, that any alternative proposal can be put forward or found acceptable in the foreseeable future.

There should be no doubt that some provinces had reservations about certain terms of the formula. They yielded, however, and set aside their objections in the hope that the mere fact that the 11 governments could have a meeting of minds, a consensus ad idem, on a compromise basis on such a contentious issue would augur well for the future. Having done this and made their concessions and now having had the rug pulled out from under them for obvious, pragmatic, political reasons it is sure to be a long time before they come to another conference table and accept any alternative suggestion. So, at this pause in our national journey, when we thought to achieve a new and more modern means of constitutional motive power, we find that all of the careful plans and preparations have gone with the wind and we are back with what we started with so many years ago.

I did not really think we would get the sort of jet propulsion that the Secretary of State for External Affairs (Mr. Martin) has been yearning for in a more material way, but I did think that we might have been able to trade in our team of oxen on a model A, something which would have had marked on it a "made in Canada" label, for the purpose of amending our constitution and effecting changes in the distribution of powers and responsibilities. And I had hoped that because of this there would be a closer liaison and understanding not only between the provinces and the federal government but amongst the provinces themselves.

Thinking Canadians are so deeply concerned about the fact that there are so many areas and so many problems which increasingly will yield only to solution on the basis of co-operation and understanding as well as changes in the distribution of powers and responsibilities. I am thinking of such things as water resources, water pollution, air pollution, agriculture and agricultural rural development and improvement, a national transportation program, manpower development and so on. Thus today we are driven back to the often-used and greatly abused system of federal-provincial conferences as a rough and ready means of working out programs of executive and legislative action in the areas where there must be shifts and changes and co-operation between the governments. This is so because the courts have held that there is no right in the provincial and federal governments to delegate legislative authority each to the other.

It is, of course, possible that the Established Programs Act 1964, otherwise known as the so-called opting out legislation, can be modified and extended to cover additional areas. But this applies, of course, only to

cases where the subject matter is under provincial jurisdiction, and financial and other aid is required from the federal treasury, and joint programs thereby emerge. In addition, the service to be provided under the sole administration of the province must be of a similar kind as that which was carried out jointly by the two governments.

To most of us this understanding of the opting out arrangement seems very clear and very definite, but not to the somewhat mildewed, slightly aging pseudo-revolutionaries who, from their vantage points in the seat of government in the province of Quebec, are shrilling out their demands to opt out in family allowances, unemployment insurance, for example, and in other matters where the federal government has occupied the field either under specific power or under general authority.

How can they opt out when they were never in and were never in these fields because they are matters of federal responsibility? I suggest it is not so much a matter of their opting out as their attempting to muscle in. Then there are demands in connection with the conduct of external affairs, the right to deal with banking through alleged control of near banks and so many other instances, none of which could ever be the subject of a true opting out agreement because they were never matters over which the provincial governments had jurisdiction. Surely the Liberal government at Ottawa must realize that many of the proposals which it has advocated, some of which are included in the Speech from the Throne and others which have been discussed, will all wither on the vine if Quebec initially and other provinces later are allowed to trespass on and occupy these fields.

I do not think I am exaggerating when I say that the impression created in the minds of the people of Canada from watching most federal-provincial conferences in the past two or three years has been that of weak, fumbling, federal participation, not knowing what it wants and where it is going, quite prepared to surrender in most things merely to obtain unanimous concurrence in a final communiqué which applauds the "frank and fruitful" discussions but does not add up the spoils which have been taken away. The picture which comes through of one party is that of a poor pitiful caricature of a government. This contrasts with what appear to be strong provincial delegations, very aggressive, very knowledgeable and very demanding and, of course, in some instances, very unreasonable and quite prepared to sacrifice the national welfare for regional interests.

One can quite properly suggest here, at least parenthetically, that the proposal that many of these conferences be open and be fully and adequately reported by the media of public information should be accepted. Let there be no doubt that, in my opinion, by far the worst offenders have been some of the leaders of the government of Quebec whose intransigent, provocative attitude, particularly in recent months, has indicated an arrogant disregard of the national interest. This is not an attack on Quebec or the people of Quebec. Some of the other provinces have from time to time asserted claims which cannot be conceded. But it is most unfortunate that it has been some of the Quebec leaders, making what seemed to be the most unreasonable demands, who have caught the attention of the people of Canada by their actions in doing so.

But in this are they acting in the best interests of the people of Quebec? I do not think so. Messrs. Kierans, Levesque, Wagner and others have become so enamoured with the sound of their own voices that they seem to have forgotten the purpose and the meaning and the real objective of the movement in Quebec which so many of us have watched with approval and applause. They have become so obsessed with the means that they have forgotten the end which ought to be achieved. Even if we discount much of what Mr. Levesque said on his last appearance in Ottawa and even accepting the fact that since he has been in public life he has rarely had an unuttered thought, nevertheless we can only conclude that his approach to the course he would have the province pursue can be compared to the phrase coined by railway companies about the advantage of rail passenger travel —"getting there is half the fun".

This is an opportune time to deal with the argument strongly and frequently advanced that all that is being done, all of the claims which are being made can be justified because Quebec is not a province like the other provinces. This is quite true in one sense in which the phrase is used and to that extent I accept wholeheartedly the implications.

Confederation came about and the constitution took the shape it did because in very considerable part an attempt was made to preserve certain characteristics of the inhabitants of Quebec, including a distinct people,

culture, civil law, language and so on. To maintain this distinction and preserve and strengthen these characteristics is natural and proper and should receive support from all Canadians. There is, then, some justification for contending that this is one way in which Canada, the nation, differs from our neighbour to the south.

• (6:10 p.m.)

In this sense there can be no doubt at all about the uniqueness of Quebec and their right to have, within the limitations I have mentioned, the powers it requires to be unique. But when those who use this phrase attempt to stretch it to include an argument of a different kind, when they say that Quebec is not a province like the other provinces and this per se justifies substantial increases in provincial economic and other powers which are consistent only with national sovereignty, then they are attributing a meaning to the phrase which is unacceptable.

In the same way could it not be argued just as easily that the province of British Columbia, remote from the rest of Canada behind the Rocky Mountain wall, with natural lines of communication to the south with the Americans of the Pacific States, is not a province like the other provinces? The prairie provinces, which experience adverse effects from a national transportation system that has made them the victims of a series of horizontal freight rate increases, as well as being subject to the evils which arise from the people of these provinces being the low man on the tariff totem pole, could also be characterized as provinces not like the rest. The Atlantic provinces, which as a result of Confederation were cut off from their natural markets in the New England states and which also suffer from problems of high transport costs, are provinces unlike the others.

If all of these were to contend, as does Quebec, that because of their very distinct positions they too are provinces which are different, that they too are entitled to trespass on the rights which have been given to the nation of Canada, they could make out just as effective, just as sound a case. If this were done, then we would find that the sum total, the aggregate of all the powers and responsibilities given to all these provinces because they are different, would be so substantial, so all encompassing, that there would be nothing left upon which to found a nation. Thus, when this phrase is used in this way it is deceiving, it is improper, and it must be rejected. And so for these reasons it becomes our duty in this house to do what we can to strengthen the federal government in its confrontations at these conferences, to give it courage and determination.

It is because of this that I have proposed this resolution to urge the government to incorporate in a white paper its views vis-à-vis federal-provincial relations, including a clear outline of the position the government takes or should take in areas of federal jurisdiction which must not be and cannot be whittled away. These must be asserted positively although not provocatively. This white paper should be prepared and filed as a caveat so that all may take heed and govern themselves accordingly.

The federal government must reaffirm its rights under the specific established powers of the constitution and in addition might well seek a review in certain areas where Privy Council decisions in the past have deprived the federal authority of jurisdiction which it can well be argued was intended for it by the Fathers of Confederation. Some of the earlier decisions dealing with rights under the peace, order and good government clause and trade and commerce are examples. The principle of *stare decisis* should not apply in constitutional, legal decision-making. There is no reason why the Supreme Court of Canada could not feel free to review and alter these decisions or for the government to ask it to do so.

In such matters as family allowance payments, for example, the federal government has a very wide scope through exercise of the general taxing power and the right to distribute the resulting funds to the people of Canada. The government can also draw comfort from what is known as the growing tree principle, a phrase which appeals to me very much. One of the learned judges said that the B.N.A. Act planted in Canada a living tree capable of growth and expansion within its natural limits. This could apply to banks and banking, as a Privy Council decision in connection with Alberta's Social Credit legislation has already indicated.

Let the government of Canada take the initiative for once. Let them be strong, decisive and resolute. Who knows, they might even seize upon this as an opportunity to test the bold and excite the daring. I am sure if they do so they will secure from many members, certainly from me, such measure of support as they may require.

On an issue of this kind, they will not be a minority government and, Mr. Speaker, they

were not a minority government before the last election on an issue of this kind. The Prime Minister called that election declaring that he required a majority government to help him in his confrontations with the provinces. On an issue of this kind, I am quite confident he would always have a majority to support him. In any event, I made my position clear on this matter both before and during the election and I have not changed since.

Surely on a matter so important and crucial as this there can be no politics and no partisanship in this house. On this matter we cease to be Liberals or Conservatives or N.D.P. or Social Crediters or Creditistes; we are and we must act only as Canadians.

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, this motion asks the federal government to issue a white paper putting forward policy regarding federal-provincial responsibility in certain areas, namely, (1) manpower development, (2) the war on poverty including assistance, welfare and family allowances and (3) corporations and other institutions in the credit business. The three general areas mentioned, or the six if we include the subheadings under "war on poverty", are not explicitly mentioned in the divisions of jurisdiction under our present constitution.

With respect to manpower, whatever may be its definition it is not mentioned at all in the constitution. "War on poverty" is a phrase coined in the United States and has reference there to a comprehensive program for social and economic opportunity. Its purpose has been the elimination of poverty rather than stopgap periodic assistance. Sections 92(7) and (13) of our constitution refer to charities, civil rights, etc. and these sections have been interpreted to include wider programs of welfare and social security, but no consideration to date has even been given to a program as broad as the U.S. war on poverty.

Sections 91(2), (15) (16) and (19) cover trade and commerce, banks and interest, and the trade and commerce section has been interpreted to include the incorporation of companies irrespective of objects which would include companies in the credit business.

The significant thing in all these areas is that they have aspects which could fall under both federal and provincial jurisdiction. This is a natural phenomenon. In our modern complex world, human creation and conduct are not easily categorized and certainly are not easily fitted into jurisdictional slots conceived 100 years ago. There are a few problems and needs today which can be approached and dealt with adequately under any one area of legislative jurisdiction. As a result of this situation most federal states have resorted to what is known as co-operative or creative federalism. Several areas of government, federal, provincial and even municipal, get together to attack a problem which because of its many legislative aspects could not be attacked alone.

In a federal system this approach is much more efficient and beneficial than one where the different levels battle for jurisdiction in the courts and elsewhere, although sometimes this will be the last necessary resort. It must be remembered that a constitution is meant to serve the political, economic and social needs of the people and is not to be used in political power plays for the political aggrandizement of politicians.

In the Speech from the Throne we have two references to the manpower department. It says that the manpower department is to be a conversion of the Department of Citizenship and Immigration and that the government will develop manpower policies which are essential to the sustained growth of a highly productive economy and to the elimination of pockets of poverty. There is no direct use of the phrase "war on poverty" but job retraining and mobility, education and rural reform have all been described by this term.

• (6:20 p.m.)

It is doubtful that anyone could speculate as to all the possible legislation that might be enacted under a manpower or poverty administration. Some projects may be clearly federal, others provincial and others questionable. I can see no objection to the government issuing a white paper indicating the general jurisdictional bases for these matters and I think this would be good, but I think it would be impossible to set out with any finality the strict lines of constitutional jurisdiction that this motion demands, especially under our present constitution which in my opinion is extremely inadequate.

It seems to me that we do require a broad and deep study of federal-provincial jurisdiction and the whole role and purpose of federalism in Canada, but such a study should consider all areas of jurisdiction and should be done by a committee of this house

or by a royal commission rather than by a white paper. Such a committee or royal commission would be desirable before any wide-ranging constitutional amendment. It is to be noted that the province of Quebec has already established a similar commission.

While we are discussing problems of federalism and the concept of co-operative federalism, I should like to make a few observations regarding some of our recent federal difficulties. As a Quebecker whose principal language is English I consider these questions of utmost importance. My family has lived in Montreal for at least four generations and I consider it my home. I think it is a great and exciting city and I would not consider living anywhere else. However, in recent years there are some in Quebec who act and talk as if everything within the territory of Quebec, including Montreal, is for the benefit of and within the sovereignty of Quebec. In opposition to this view there are many who consider Montreal as much Canadian as it is Quebec. Most of the great economic and cultural institutions which helped build Montreal serve all Canada, not just Quebec. They were built by Canadians of all provinces to serve Canadians of all provinces. I refer to Montreal's port, its railroads, air lines, banks, universities, industries, hospitals and many other things.

These institutions and this city should belong to all Canadians both French and English. I realize this was not always the case in the past when our economic and cultural institutions were not only controlled by English Canadians but by certain established groups of English Canadians, to which my family did not belong, I may say. The solution to this situation, however, is not to transfer control from one nationalistic minority to another nationalistic minority. With this in mind many of us in Montreal are beginning to wonder whether the trend to increasing provincial jurisdiction in Quebec will not lead to injustice for its minorities and stifle the effectiveness of Canadian institutions which are situated in that province. It would seem to me that works and institutions which are interprovincial and which serve people beyond the boundaries of a province should be subject to federal jurisdiction, which does not mean English Canadian jurisdiction or a jurisdiction dominated by English Canada. There are several articles of the constitution which would support this view.

[Mr. Allmand.]

It has been rather disturbing in recent days to hear provincial governments state that they feel they have some sovereign right to share in economic and fiscal policy. These are the same governments which would become immediately disturbed if the federal government dared cross in the most minor way the boundaries of provincial jurisdiction. Sections 91(2), 91(3), 91(14), 91(15), 91(19) and 91(20) of the B.N.A Act clearly give the federal government sovereign authority in determining national economic and fiscal policy. This is not an area with several aspects which require co-operative federalism, although this is not to say that it could not be approached in that way. Until the constitution is amended it must be repected on both sides and, where the job requires, worked out co-operatively by both sides.

In an editorial appearing in Saturday's *Le Devoir* the editor, Claude Ryan, made the following statement in an article which was entitled:

[*Translation*]

The English speaking community in the Quebec of today.

[*English*]

At another place he said:

[*Translation*]

In private life, the last few years have revealed numerous situations in which the minority wields excessive power over the majority.

[*English*]

He says at another place:

[*Translation*]

The prime responsibility of the English speaking group is to open wide the doors of its institutions to the members and values of the majority, so that they might become, instead of ghettos of power, true expressions of the environment in which they exist.

[*English*]

Mr. Speaker, I agree fully with these statements but I would also suggest that this could be done without weakening the federal authority.

At another place when discussing the role of the English speaking Quebecker in the public life of Quebec Mr. Ryan referred to Mr. Kierans, the Quebec minister of health and welfare, and said:

[*Translation*]

Instead of considering himself as the "professional defender" of the rights of a small group, right from the start he asserted himself as a Quebec citizen and a Quebec politician. He espoused the over-all problem of the society in which he lives.

[*English*]

Once again I would agree with that statement, since Mr. Kierans was elected to the Quebec legislature. But members of parliament elected to the Canadian parliament, even from Quebec, are elected as Canadian citizens in a Canadian milieu to propose Canadian programs.

In concluding his article Mr. Ryan said:

[*Translation*]

In the difficult phase before us, we must avoid, on the one hand, panic action and, on the other, blackmail. Between those two extremes, men of good will are bound to find the right formula to get us all out of the vicious circle where we have been for many generations.

[*English*]

Again I agree fully with this high principle but I must make the comment that this must apply to Quebec and to the other provinces as well as to the federal government.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like first to commend the hon. member for Peace River (Mr. Baldwin) for introducing a motion of this kind. I think the time is long past for, as this motion seeks, a white paper outlining with clarity and in succinct terms, the government's view on certain areas of federal-provincial responsibility, particularly with reference to the war on poverty. I say that this afternoon because we seem to have developed in this federal administration some kind of a double standard in so far as federal-provincial responsibilities are concerned. Certain provinces, mainly Ontario and Quebec, seem to receive a different kind of response from the representations and negotiations they carry on with the federal government than can be expected by other provinces. The hon. member for Peace river performed a commendable job in discussing the many areas of vagueness in respect of these responsibilities or jurisdictions of responsibility if I may use that term.

I intend to speak more specifically about certain matters using them as examples of what I have termed a "double standard" as it applies to different provinces coming to Ottawa with programs they consider necessary in certain areas. The first I wish to refer to is the program the province of Alberta brought to the federal government in respect of some pockets of poverty in that province. So that it is clear in the minds of hon. members that there is authority under the B.N.A. Act for the federal government to engage in shared programs of this kind dealing with agriculture, I refer hon. members to section 95 which states very clearly that the federal government may, without encroaching on provincial jurisdiction, pass laws and enter into programs that deal with agriculture anywhere in Canada.

• (6:30 p.m.)

In addition, in the Speech from the Throne we have this statement. I shall not read all of it but just the pertinent parts:

The purpose of this re-organization is to provide for closer and better co-ordinated action in the following areas of public policy: manpower policies, which are essential to the sustained growth of a highly productive economy and to the elimination of pockets of poverty within that economy—

Then it goes on:

—rural development programs, which are necessary to agricultural progress and a better rural life—

It seems to me that it is very clear both from the terms of the British North America Act and what was contained in the Speech from the Throne that the federal government not only has the authority but also seems to have the desire to do what it can and participate in these kind of programs which will ameliorate some of these pockets of poverty.

In fact, Mr. Speaker, those words are used in the Speech from the Throne. Yet when the province of Alberta came forward and asked the federal government to participate on a 50-50 basis in payments to farm areas in that province which have had almost complete crop failures for the last three years, they were turned down flat. One cannot help but feel that if this kind of request had come from either Ontario or Quebec they would not have been turned down, because on the basis of what happened last summer we know that many millions of dollars out of the federal treasury went into programs in both Ontario and Quebec for exactly the same purpose.

I wish to be fair to the present Minister of Agriculture (Mr. Greene) because apparently the first refusal of this request was sent to the province of Alberta before he was appointed. I realize the problems of a newly appointed minister in attempting to reverse decisions. But the point I am trying to make is that this decision was completely contrary to what has been done in the past and to stated government policy in the Speech from the Throne.

Let us examine for a few moments what the province of Alberta wanted to do. They designated two areas, one in the Peace River district and one in west central Alberta, as being areas in which there had been a long period of severe crop losses. The province of Alberta went into these areas and made a survey. To make a long story short, they decided to make some payments out of the provincial treasury for the purpose of keeping these farm units from collapsing. What could possibly be a more effective program in a war on poverty than to move in and keep these farm units from collapsing so that the farmers would not be turned off their units, find their way into an unemployed area and go on relief and so on?

If the federal government had come along and co-operated with the province, the problem of these crop losses could have been dealt with. These crop losses are not going to carry on forever. This is an unusual thing in this part of the country; it is not a long, continuing situation. What is more, Mr. Speaker, the province of Alberta made this very clear to the federal government.

Therefore I think we need the kind of white paper that is called for in this motion so that the provinces, and I mean all the provinces, will know what the federal government intends to do when the provinces are faced with these kind of situations. Surely we do not have to face each one of these problems and programs individually. I know this government does not like the phrase "guidelines" because of the connotation that has been attached to these two words, but I believe that if a white paper as called for by the hon. member for Peace River were prepared we would be able to arrive at some guidelines so the provinces would at least have some idea of how far the federal government would go in participating in programs to deal with these severe areas of depression and what could almost be called disaster.

What makes this situation even worse is that on many occasions during 1965 and 1964—I do not have all the quotations before me but this happened on many occasions—when a member rose in this house and asked the federal government to do something by way of assistance in areas that had suffered a tragedy or disaster for one reason or another, the standard answer was, "If the province requests assistance and is willing to pay 50 per cent, we will co-operate". That is exactly what the government of the province of Alberta did. They set up the program and asked the federal government to pay 50 per cent of the cost. They said the province was willing to pay the other 50 per cent. As I said, Mr. Speaker, they have been turned down.

This is not good enough. We need these guidelines and we need, as the hon. member for Peace River said, some kind of paper outlining with clarity and in succinct terms what is going to be the position and the policy of the federal government in matters dealing with the war on poverty, including assistance programs. I should like to impress upon the members of the government that this kind of program will not go on and on. As a matter of fact, I do not think the government of the province of Alberta would set up such a program and ask the federal government to participate if it was not what they considered to be the best kind of program to meet the situation. This area is not known for a long series of crop failures such as have occurred during the last two or three years. It is one which has a reasonably good chance of getting a crop year after year. What is more, Mr. Speaker, if we can save these farms from complete financial breakdown they will probably be able to carry themselves for the next X number of years, whether it be 10 or 20, without further assistance.

I think this is the most effective kind of program that can be used in this so-called war on poverty. Suppose the province had not moved in and these people had gotten into so much financial difficulty that they had to leave their farms? Where would they have gone and what would be the expense to the provincial and federal governments? I suggest this expense would be far greater than the few dollars the province is now seeking in order to get these people over this difficult period.

In closing, Mr. Speaker, I wish to say again that the time for a statement of policy in the form of a white paper is long overdue. We certainly hope that when the government comes along with it, it will not be substantially different for any one province than for another. The people and government of Alberta feel there has been something of a double standard up to now. All we ask is that the province of Alberta be treated in the same way as any other province of Canada

when they come forward with a useful, legitimate program in which the federal government ought to participate.

• (6:40 p.m.)

[*Translation*]

Mr. J. P. Goyer (Dollard): I would readily agree with the suggestion of the hon. member for Peace River (Mr. Baldwin) for a white paper outlining certain areas of federal-provincial responsibility, but the field should not be limited, as suggested in his motion, to

—a program of manpower development, the war on poverty including assistance, welfare and family allowances, and corporations and institutions with credit and related functions in their objects and powers.

It can be said that the notice of motion, as such, points out that all social areas should be considered as well as a major part of the economic area but, on the other hand, forgets just the same something that is essential to the constitution, the cultural and linguistic point of view.

The hon. member says that we must consider this problem as Canadians, but as such I realize that cultural and linguistic problems are neglected, put aside and totally ignored in some provinces of the confederation. That is an important matter when it comes to publishing a white paper.

If all those matters were to be considered, it would be necessary to take a lot of time to write a new constitution, whereas, in practice, we realize that the constitution is going more and more toward important changes, asked for not only by the federal government but by the provincial governments, and not only that of Quebec.

On the social level, for instance, the health insurance scheme has raised in the provinces questions which had not been raised previously when the federal government enunciated a social policy. Today, not only Quebec but other provinces such as Ontario are raising questions and asking various things of the federal government about a health insurance plan.

As a matter of fact, when the whole field of social security is considered, we realize that it has developed thanks to the federal government. In fact, the provinces which were the first responsible in the social field, were negligent or failed to legislate within their own jurisdiction. In addition, the social security program of Canada was evolved during the war when the required taxes and capital were and still are available to the federal government.

Therefore, the provinces took no action. Actually, the constitution prevented them from doing so. Under a good constitution, the role of municipal and provincial governments is to administer and legislate in fields belonging to them, while that of the federal government is mostly to legislate.

This is a healthy policy because the government closest to the population, especially in the area of social security, is in a better position to understand the problems and meet the aspirations of the population as a whole. It is also a simple question of efficiency that the government closer to the population can better supply its livelihood.

Why, on the whole, does the federal government hesitate to transfer social security to the provinces? Are they not better able to handle it? Why do we hesitate to turn over the war on poverty to the provinces, to let them handle the entire assistance, welfare and health programs? As I said a few moments ago, the provinces are asking for that. Why not meet their wishes? Why would we, in the federal government, not seek to simply mind our own business. There are several fields in which we could be active.

I think the demands for minimum national standards in the field of social security are right and could be very easily negotiated with the provinces. The provincial governments should realize that they are not only subordinate governments; it would be necessary for them to take the time to read the constitution and realize their fields of jurisdiction and act accordingly. That is the white paper now in existence in Canada. Thus, this would make easier a revision of the social security field for, in fact, it was realized, with the question of social insurance and family allowances, that the federal government fails to adjust its policies in the field of social security. That may be due to a certain conformity or to a certain negligence on the part of a civil service, which lacks creative ideas, new ideas, but the turning-over of social security to the provinces could result in the organization of the social field in such a way that present day demands be better met.

It will be said that to achieve social security, one must have the necessary economic instruments. That is true. It is sound democratic principle that the government which provides a service must be the one which collects the taxes.

We have heard, during the last election campaign, statements to the effect that more money was to be given in the case of a certain pension, while the matter did not come under one's jurisdiction, but simply because there was a surplus of money available. We often see provincial governments creating diversion by attacking the federal government in order to excuse their shortcomings.

If the federal government said once and for all to the provinces: "Here are your jurisdictions and here are the means to get the necessary taxes", then the citizens who would vote in a federal, provincial or municipal election could say: "Well, here is a government which promises a certain legislation, here is a government which taxes me for such measure and it is normal." In fact, we, federal legislators, must not fear the loss of economic control by the central government.

Through what means can we control the economy? Through the budget, tax legislation and monetary policy. The first means to control the economy is the budget. Now, we realize that in Canada, at this time, nearly three quarters of public expenditures are incurred by school, municipal and provincial authorities.

This means that even though the federal government still plays a prominent part in the economic field in Canada and controls the economy of the country, while three quarters of the expenditures are made by other governments, the country is nevertheless not faring too badly.

In the field of taxation and direct taxes, the federal government has already agreed to hand over to the provinces a certain proportion of personal and corporate income taxes. We should strive to hand over a greater proportion of indirect taxes, because they are not as important as direct taxes in the control of the economy.

And in the monetary field, it is quite obvious that only the federal government should continue to take action. On the other hand, if we agree to let the provinces collect the revenues they need, we can tell them: Go ahead, yes. But tax and pay accordingly.

I think it is absolutely necessary that some tax equalization remain under strictly federal jurisdiction. Much is being said about foreign aid, and rightly so, but foreign aid has also its equivalent. We should help the poorer provinces of Canada and the richer provinces must agree to pay to the poorer provinces the amounts required so that all Canadian citizens can live according to certain minimum standards of well-being.

• (6:50 p.m.)

[*English*]

Mr. Steven Otto (York East): Mr. Speaker, I am amazed that you recognized me here away out in Siberia. I just wanted to say to the few backbenchers who are feeling independently rebellious that such are the wages of sin.

I want to say a few words on the motion moved by the hon. member for Peace River (Mr. Baldwin) and I should like to ask him whether he actually thinks a white paper defining the opinions of the government is really what is necessary. I think we are all agreed that by and large the British North America Act is really a pretty cold piece of fish without much substance. It was devised by the Fathers of Confederation at a time when they had absolutely no concept of this nation as one concerned with industry, export and finance. At the time the act was devised the economy was entirely agrarian.

Unfortunately we are stuck with a very static constitution. Certain powers have been delegated to the provinces; others have been delegated to the central government. But the situation has changed in all spheres and we have not the machinery to bring about a fluid constitution to meet changing conditions as time goes on.

For instance, I am quite sure that in 1865, 1866 and 1867 education was a matter of reading, writing and a little bit of arithmetic. At that time no one could have imagined that in 1965, 1966 and 1967 education would be a matter of whether or not one could make a living. Consequently it was a matter which was given entirely to the provinces. The situation now is that education is definitely of national concern.

On the other hand, other jurisdictions which have been given to the federal government could now very easily become provincial. Let me give you as an example some of our waterways and our canal systems. Apart from the St. Lawrence canal system we have the Rideau and the Trent which are used entirely for pleasure purposes and yet are under federal jurisdiction. They originally came under federal jurisdiction when water transportation was a matter of defence. So that although times have changed and the situation has changed our constitution, the British North America Act, will not permit

the necessary change. What we really need and what the White Paper mentioned in the motion should demand is some machinery to keep in tune with the times.

Who is to compose the body which has been suggested? Should it be a commission? It must be a continuing thing because five years from now agriculture may have a completely new concept. Finance may have a different concept. I recall the many times the hon. member for Winnipeg North Centre (Mr. Knowles) has criticized the Senate, and I am wondering whether he would perhaps agree that an invigorated Senate with men of quality, qualification and learning could be given the power to study—I say only to study—the B.N.A. Act, to hear evidence, to consider it and then to recommend certain changes in jurisdiction. Surely the Canadian people are not aware of the fine points of difference.

I am quite sure that the people who elect the members of this house and who also elect the members of the provincial legislatures do not think for a moment that these two elected bodies, elected by the same people, would sit down at a table to fight over their jurisdictions, over who is to spend the taxpayers' money and how this is to be done. They want the job done. So far as the people are concerned they are not aware of any jealousy. It is a different story so far as the politicians are concerned. They are very jealous of their rights. But surely this should not be the concept of governments federally and provincially related.

One of the members who spoke today mentioned co-operative federalism, and I have often wondered what it is and whether co-operative federalism will work. The essence of it is government by co-operation. I daresay that in that sense many of the fields of jurisdiction could be divided. In other words, a given policy may be a federal policy and the administration of it may be provincial. It could also be regional to a certain extent.

We need constant and continuing machinery to keep our constitution in tune with the times, to keep the jurisdictions in tune with the times. I suggest that this should have been the objective of the motion. An opinion is not enough because it would be today's opinion and may not be valid tomorrow. I think not only the government but all members of the house should give serious consideration to what is the solution to the changing times and the changing jurisdictions in order to best serve this nation and the people therein.

May I call it seven o'clock, Mr. Speaker?

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

SUPPLY

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

DEPARTMENT OF TRANSPORT

1. Departmental administration, $4,862,900.

The Chairman: Shall the item carry?

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, before—

Mr. Knowles: Who is the new minister?

Mr. Muir (Cape Breton North and Victoria): I do not happen to see him in his seat. I trust he will be along shortly. A few minutes before six when I commenced my remarks I started to outline to the committee and to remind the minister of the body blow struck by him against the employees of the docks at North Sydney, Port Argentia and Port aux Basques as a result of his statement on July 9, at which time he finally announced in public what was going to happen at these docks, how many men would be laid off, and what a drastic effect it would have on the members of the International Longshoremen's Association. He also indicated what might be done by the government to assist these people.

• (7:00 p.m.)

As I mentioned, we could not get anything from the minister, or from the then minister of labour prior to June 30, when the house adjourned. As soon as we got away from here, however, the minister in the safe confines of his office gave the press release relating to the situation. This was before the Prime Minister (Mr. Pearson) had had his vision of a majority, and that sort of thing. I do believe if he had not had that vision the minister would not have made his announcement.

On July 9 the minister in an announcement stated:

> The primary purpose of these very extensive plans has been the improvement in the quality, efficiency and variety of the service that can be

offered between the mainland and Newfoundland. With the completion of the trans-Canada highway in Newfoundland and the general growth in freight traffic, these major steps have become necessary to handle the anticipated volume of traffic. These improvements in the service between the mainland and Newfoundland will necessarily have an impact on employment. While some of the existing employment will decline, new jobs will be created and many economic advantages will accrue to the communities affected by reason of the increase in traffic.

I want the minister to advise the house how many new jobs will be created and what are those economic advantages that will accrue to the communities? What is going to be done for the number of men who are going to be released from their employment? The only information we got from the minister was when he addressed a meeting of the board of trade in North Sydney in 1964. He had a good time, and he made a very lovely speech. He did it very well, had a nice meal, announced what ferries were going to be introduced to North Sydney, took all the plaudits and all the applause, but did not mention that the ferry was going to be a rail car ferry to be put into operation, and thus eliminate so many jobs.

Last week he complained that some members of the official opposition and of the New Democratic Party were suggesting that he might be secretive in negotiations regarding television channels and so on. However, in this instance he has been playing that old television game "I've got a secret" for many, many months because he would not outline to the union, to myself or to the people concerned just what was going to happen. Following the minister's visit, the employees of the Canadian National Railways received a letter from E. J. Cooke, general manager of the Atlantic region. I received a copy of this letter, together with a covering letter, from Mr. H. J. Grayton, vice president of the Atlantic region. We had a meeting with the mayor of the town and other interested officials and from that meeting we were advised that there were an average of 675 persons employed at the docks of North Sydney during the past year.

I should like to place on record an excerpt from the letter sent to the C.N.R. employees by E. J. Cooke as follows:

> Indications are that when all changes have been made by late 1968 there will be approximately 100 longshoremen in the North Sydney operation. Most of you know that the introduction of the *Patrick Morris* and the recent settlement of the longshoremen's strike at St. John's will result in a reduction in staff. Providing present traffic levels remain the same, no further major reductions are expected until the fall of 1967. At that time it is expected the rail car ferry will commence operation. A further decrease in staff will take place in late 1968 when it is expected the *Patrick Morris* will operate as a rail car, truck and passenger ferry.

As a result of that meeting Mr. Grayston said that out of the 675 employees only 100 would be required when these changes were made. At Port aux Basques 226 positions would be eliminated; at Argentia 102 positions would be eliminated and the Canadian Brotherhood of Railway, Transport and General Workers employees of North Sydney would be reduced from 62 to 40. Shop crafts employ 22 at present. When these changes come about it will only require ten.

If my mathematics are close to being correct, and sometimes they are apt to be in error, approximately 937 positions are going to be eliminated. As I have already said, at any time this subject was brought up—and I am sure that the minister will agree with me—he always insisted in maintaining that there was going to be more employment. Can he tell me where this employment is going to take place? That is what I should like to know.

Suppose freight going through the port of North Sydney would double in tonnage, what then? I want to know if the jobs of these 575 persons in North Sydney are going to be brought into being as a result of this expected increase and continued increase in freight.

The minister finally got this off his chest and made an announcement, in Sydney as reported in the Cape Breton *Post* of Thursday, October 28, 1965, the headline of which reads "Pickersgill says bright future for northside". This report reads:

> Transport Minister Pickersgill said in Sydney, Wednesday night that North Sydney will continue to be the main gateway to Newfoundland—

We have always felt that that is correct, and should be. The article continues:

> —and predicted that within three years the town will be more prosperous than it is today. He told one of the biggest Liberal rallies ever held in Cape Breton that workers at the port of North Sydney are concerned with changes that are being made at the waterfront.
>
> "These changes are necessary to handle the vast amount of freight that must be moved to Newfoundland."

I do not know why he is emphasizing that so much. Surely he did not intend to take that away from North Sydney, too.

The article then continues:

> The new public wharf will have rail facilities and will continue to service vessels other than the C.N.R."

Mr. Pickersgill said that it is "my opinion that North Sydney will grow, employment will increase and within three years the town will be more prosperous than it is today."

Mr. Chairman, to my mind this is a new definition of economics. You do away with 575 jobs plus at North Sydney and the minister has not yet said how these people are to find work. He says, in effect, that everything is going to be better than it was. He says that we are in a new era; that the millennium is coming. We are going to do away with all these workers, and many of them are at an age when they cannot move. The government is going to put into practice the Gordon report which has been the theory of this administration when they are in government—and they are in government now. The prevailing philosophy is: We will provide you with one-way tickets and with transportation to get out of an area.

Let us follow this a little further. A committee was set up comprised of representatives of the Canadian National Railways, the Department of Labour and the officials of the I.L.A. They more or less told me that there is no alternative but to work with this committee. I am sure that they will do a good job to assist those who will be displaced.

During the election campaign the former minister of labour and the Liberal candidate in my area, said that no one will suffer; that everything will be lovely; that nobody will be hurt and that everybody will be looked after. I hope that the minister is going to be prepared to look after those people who are going to be unemployed. Of course, this was mentioned before; but then it was alleged we were the rumour mongers, and that sort of thing. Prominent Liberals in my area said that this could not possibly happen: "Muir is spreading wild and weird rumours." However, we find out now that the minister must be spreading rumours too, in his official statement of July 9. I hope that the minister will get to his feet and say that it is nothing but a rumour. However, I am afraid it is the truth.

• (7:10 p.m.)

Another point to be considered is why transshipment is to take place out of Port aux Basques. I hope the minister will explain why it was placed there. Possibly the same work could have been carried out on the mainland. I do not know. I hope the minister will explain why Port aux Basques was chosen. It seems to me this was not the most suitable location either geographically or economically. I suggest it was against the advice of C.N.R. officials that these facilities were located at Port aux Basques. It is likely we shall spend millions of dollars more at Port aux Basques than would have been necessary had these facilities been placed on the mainland.

Now I should like the minister to tell us just what are the official duties of Mr. Ron Kay. From what I can find out about Mr. Kay, he is an efficient and capable man. His official title is "manpower co-ordinator". I hope every assistance will be given him by the government in placing the men from these three ports about which I have spoken. Concerning this appointment the Cape Breton *Post* of December 8, 1965 had this to say:

Mr. Kay will interview men likely to be affected by the changes in employment and will keep closely in touch with new jobs developing as a result of improvements in the Newfoundland service.

He will also develop training programs for people who want to fill new jobs and work with local and government organizations in finding solutions to problems arising from the changes.

I think Mr. Kay has a man-sized job on his hands. I urge the minister to give serious consideration to the nature of his duties and to the facilities made available to him. It is all right to make fine speeches and statements, but this is a bread and butter issue and something more than that will be needed. As I have mentioned, some of these men are at the stage when they cannot leave their homes. All they have accumulated over the years is in the North Sydney area.

I understand that some interviews have already taken place and it has been suggested to a number of these men that they should take training. I suppose that while they are training they will receive $35 or $40 a week—quite a decrease compared with what they were earning.

May I propose to the minister that he give consideration to the adoption of the plan which was put into effect with application to automotive workers in Windsor. A transitional benefits plan to assist workers in this industry was announced by the former minister of labour on June 28, 1965. A pamphlet describing it says:

The reasoning behind the assistance program is that because the economy as a whole will benefit from the new automotive agreement, the people of Canada and the automotive companies themselves should bear an equitable part of the resulting financial burden of adjustment which will fall on some groups of workers.

The situation which will arise at North Sydney will not be the result of anything

done by private enterprise; it will be the result of what is done by the government indirectly through the C.N.R., call it mechanization, technological change or whatever you wish. It will have a profound effect on those involved. Surely some method could be devised by the government to assist these workers along the lines used to help workers in the automobile industry.

Further on, this pamphlet tells us, under the heading "Who is Eligible?":

> Any worker in the automotive or parts industries with at least 30 weeks employment in the last 52 weeks in these industries prior to lay-off, and who is qualified to receive unemployment insurance benefits. The Adjustment Assistance Board, set up by the government to deal with transitional problems of workers and manufacturers, must find that a significant proportion of workers in a firm or plant will be laid off for at least 30 days; and that this lay-off was the result of the termination, or decrease of, production, or activity arising from the Canada-U.S. automotive agreement.

We might substitute for those final words the phrase "arising from the action of the government through the C.N.R. at the Port of North Sydney". Perhaps the minister could give this some thought and try to arrange something for these men along the lines of the transitional assistance benefit plan.

As I mentioned a moment ago, the minister has a new definition of economics. Some of his statements are quoted in that issue of the Cape Breton *Post* of Thursday, October 28, where they appear along with a picture of himself, the minister of labour at that time and the two Liberal candidates from Cape Breton Island—they are looking upon the great minister as though he were God's answer to the women of Canada, or something like that. Any way, he is being much admired. I must say, however, that at the present time the minister is not greatly admired by the workers who will be affected. Let the hon. gentleman take positive action, apart from what has been announced. We know there is a committee set up. We know that Mr. Ron Kay has been appointed as co-ordinator. There is still some time before this change will hit us badly.

The hon. gentleman has already told us that the *Prinz Bertil* operating between Denmark and Sweden for one of the Scandinavian countries has been bought by the Department of Transport. Would he please tell the committee whether this ship will go into service "as is" or whether she will be sent to Marine Industries, Sorel, before taking up her new duties? In the latter case, will the work cost the amount which is stated beforehand or will we find that the cost of alterations to the *Prinz Bertil,* if she has not been renamed—

[Mr. Muir (Cape Breton North and Victoria).]

Mr. Pickersgill: This ship has been renamed the *Leif Eiriksson.*

Mr. Muir (Cape Breton North and Victoria): I am glad to hear that. As long as we do not call it the *Jack Pickersgill,* I am very glad.

Mr. Pickersgill: Well, we thought of calling it the *Robert Muir* but wisdom prevailed.

Mr. Knowles: What is it—a windjammer?

An hon. Member: A garbage scow.

Mr. Muir (Cape Breton North and Victoria): I appreciate these interjections. They are most interesting.

As I said at the outset, since this is St. Valentine's Day, the minister will surely have some good information, in the spirit of hearts and flowers, for the workers who will be affected at North Sydney. As for the ship, as long as they did not call it the *Jack Pickersgill,* that is all right. "*Leif Eiriksson*" is in a different class. I would assume that, like the hon. member from heaven, those who have been behind the pulpit are more efficient at being windjammers or blowing a lot of wind than are ordinary members of parliament.

Before I was diverted by the name of the ship, I was about to ask the minister whether this vessel was to be placed in the yard of Marine Industries, as was the *Patrick Morris.*

Mr. Pickersgill: Yes, it is. It is going into the yard at Saint John, New Brunswick.

• (7:20 p.m.)

Mr. Muir (Cape Breton North and Victoria): Well, I am so glad to hear that. The minister is still playing "I've got a secret" to a certain extent, but we can squeeze a little information out of him once in a while. It is all right so long as it is not another *Patrick Morris.* The Auditor General did not appreciate that episode. This was a bargain ship which was going to cost $1,200,000, then with conversion $1,250,000, but when it was finally put into service the cost was $3,960,000.

I ask the minister to tell us, when he is replying, whether the *Patrick Morris* is now in the position where it can buck ice? Will it be able to function as an icebreaker, like the *William Carson*? Or, when the ice comes into harbour, will it be diverted into the Strait of

Canso area, thus releasing the men at North Sydney from employment a little more quickly?

May I also ask the minister what is going to be done with the C.N.R. ships, those that are presently operating out of North Sydney under charter by the C.N.R.? Are they going to be kept in service when these other new ships come into operation, or will their numbers be reduced? Can he tell us whether under C.B.R.T. seniority rights—and this is only quite proper—the crews from these vessels will receive priority if any positions become available when these new vessels come into service?

In one of the letters we have received it is stated, with respect to members of the I.L.A., that all the employees affected, "other than stevedores," have seniority rights which will help them get similar jobs with the company. In other words, it would appear that stevedores are at the bottom of the list so far as any new positions that open up are concerned. Mr. Grayston said in his letter that solutions to complex problems do not come easily. I think the man is correct because this is certainly a complex problem brought about by the action of this government.

This is the second heavy body blow dealt by this government. A year of two ago it closed down the Point Edward naval base which had a working force of 600 or 700, but now that working force is down to little more than 100 the same situation is going to occur in North Sydney. I would ask the minister to think seriously about this problem. Now that it is out in the open I tell him not to try to evade anything any more. His job, along with the C.N.R. and all the rest of us who are concerned, is to try to see what can be done to assist the men who will be affected.

Mr. Thompson: Mr. Chairman, in speaking in this debate, which relates to discussion of the estimates of the Department of Transport, there are several points I wish to bring to the attention of the minister and the committee. During the last week the C.P.R. has taken daily, and several times a day, criticism that I am sure it so rightly deserves. Not only has the government a responsibility in regard to public carriers, but the welfare of the Canadian people is definitely involved in this matter.

In my opinion it has become clearly evident that the C.P.R. is deliberately creating a situation whereby public opinion will force the government to take over this railroad company. The management of C.P.R. have first carefully stripped the company of all its real estate assets, other than the railway right-of-way itself—its natural resources, its industrial development and Canadian Pacific Airlines. On the basis of this public resentment being generated across the country, unless this whole attitude is changed, and changed quickly, there will be no alternative but for the government to take over the railroad.

If we look back at the situation that developed during the past year, it is remarkable the way in which public opinion has changed towards this once great railroad company. This change of attitude has been caused not only by the demoralizing effect the company's actions has had on its employees but, particularly in the west, by the removal of the "Dominion" train. This has been a cause of much controversy. The change in attitude has also been due to the slowness with which the railroad has moved grain to the ports. It is a change of attitude which has spread right across the country.

Certainly it is a tragedy that a private enterprise company such as the C.P.R., with all its traditions of the past as one of the greatest projects ever initiated by private enterprise, should now, through the downgrading of its standards of service, through its elimination of certain passenger trains, through its closing of important station service relating to telegrams and the shipping of express, through its intentional slowdown in the movement of grain to the west coast, and through its unfair and inequitable passenger rate structure, deliberately invite public takeover.

There are just one or two remarks I would like to make in regard to several of these points. The first relates to the lowering of standards of service in the carriage of passengers, and even with regard to the handling of freight and express. I think all members of parliament who travel on the C.P.R. will understand the truth of what I say. Certainly I hear it from my own constituents that the C.P.R. seems to be deliberately letting its standards of service, which were once so high, become shoddy, inefficient and inadequate. Its cars are not being maintained properly. Even service in its dining cars is not what it used to be.

The whole standard of efficiency that once resulted in people using the C.P.R. rather than the C.N.R. has now been lowered, with the result people are travelling more on the

C.N.R. It has been lowered to the point where people do not want to use the C.P.R. if they can avoid it. It is strange that this standard of efficiency should be lowered with respect to passenger service. But when it comes to keeping up competition with respect to moving certain freight, which is more profitable, the company is able to meet competition either through the use of piggyback trucks or the consolidation of commercial and express service.

Another point that is obvious so far as the C.P.R. is concerned is its elimination of passenger trains, in particular the "Dominion". It was not just a question of whether or not the "Dominion" was needed to transport passengers across the country. It was a deliberately planned program of the company to make the "Dominion" a train that people would from a financial standpoint not use, thus letting the company justify its removal.

It has already been mentioned today that the "Dominion" was finally cut down to two coaches and a passenger car. What a standard for a transcontinental service, leaving only one transcontinental train on the C.P.R. lines. Yet the C.N.R. has two full transcontinental trains each way each day, with such a large number of passengers that one finds difficulty in obtaining reservations.

Another interesting point in this story relates to the use and privilege of rail passes, which were long looked upon as one of the fringe benefits for railroad employees. Today the situation has become such that an employee of the C.P.R. who has laboured down through the years for the privilege of using his travel pass, particularly on reaching retirement age, does not have a pass left at all because there is not a train on which he can use one. The trains on which he was entitled to travel have now been eliminated.

• (7:30 p.m.)

It is obvious that this policy of deterioration as far as passenger train service is concerned is a deliberate one that applies not only to trains such as the "Dominion" but to many local trains as well. This is a policy which means practically the total closing down of intermediate stations. One of the divisions involved is the Lethbridge division of the C.P.R. in my own area where, through their customer service program, as they call it, the C.P.R. has closed 75 of the 112 local stations. Of the remaining 37 stations, it is proposed that 34 will be without agents. It is also proposed to retain only a train operator at seven of these 34 points. Such an operator could provide little or no agency service to the general public.

This is an indication that the C.P.R. has no intention of continuing either passenger, express or communications services to these communities, many of them towns of 3,000 or 4,000 population.

One might go to the extent of saying that the closing of many of the small stations is not justifiable, but one certainly should not go to the extent that is now taking place in the particular division to which I have referred, and which is being repeated in various divisions across the country.

Another problem relates to the ridiculous fare structure implemented by the C.P.R. In my own constituency the Edmonton to Calgary run is a very important passenger service. A year ago three trains a day ran in each direction, filled to capacity. As a result of the new fare structure and poor service these trains are now running at less than one third capacity. The ridiculous situation has developed in which one can buy a ticket from Calgary to Edmonton for $9.75. However, if you are enterprising enough you can buy a ticket from Calgary to Red Deer, get off the train there and buy a ticket from Red Deer to Edmonton, thereby saving 50 cents. If you stop at every station along the line, buying tickets between stations, you can cut down the fare by another dollar or more. This situation exists in the face of the fact that one can use the same C.N.R. facilities at a cost of $4.50.

A year ago fares were competitive. Today we find a situation in which they are not only not competitive, but twice as expensive on one as on the other. This whole structure is designed to discourage people from using passenger train service, thereby giving the C.P.R. a case to bring before the Board of Transport Commissioners and the government in support of its contention that passenger service is no longer profitable.

We have already heard a number of remarks in relation to the slow movement of grain. We learned over the week end about the emergency situation developing in India. Statements have been made by the Secretary General of the United Nations and Secretary General of the Food and Agriculture Organization to the effect that the hunger situation in India has become a major world crisis. Millions of people are going to die this year of starvation unless something is done,

yet we have seen evidence in the last few weeks of what seems to be a deliberate slow movement of grain to the west coast—grain that has been designated to India through commercial sales or aid contributions.

Mr. Chairman, certainly these things are tragic and I would suggest to the Minister of Transport that the government has a responsibility to see that this situation does not continue. After all, the C.P.R. is a public carrier, and as a public carrier has a responsibility for carrying traffic express and freight in this country. It has this responsibility because of the contract it originally entered into with the government and the Canadian people. In addition to freight rate subsidies this company has received through the years a tremndous amount of cash, land and natural resources given to it at the time of its incorporation.

I have before me the act respecting the Canadian Pacific Railway which brought that company into existence on February 15, 1881, just 85 years ago tomorrow. In relation to the western division of this company, section 11 of the schedule provides that from Winnipeg to Jasper House—

> —the grant of land hereby agreed to be made to the company, shall be so made in alternate sections of 640 acres each, extending back 24 miles deep, on each side of the railway, from Winnipeg to Jasper House, in so far as such lands shall be vested in the government,—the company receiving the sections bearing uneven numbers.

This land amounted to 25 million acres in most cases mineral rights went along with it.

This schedule then continues to elaborate as to how this land shall be part of the subsidy to be given to the C.P.R. in return for the benefits accruing to the country as a result of the completion of the railroad.

Schedule 9 of the act states:

> In consideration of the premises, the government agree to grant to the company a subsidy in money of $25 million, and in land of 25 million acres—

In addition to that, Mr. Chairman, all the mineral rights have gone to the company down through the years. In my own province an important coal deposit is involved. Fifty per cent of all the coal lying south of the North Saskatchewan river belongs to the company. In addition to that there are important timber rights owned by the company. All these subsidies were given to the C.P.R. in return for building this railroad and for the provision of the services it was expected to render. It is on this basis that the C.P.R. has an obligation to the people of Canada and the country to maintain the essential services.

It is not good enough for the government to say that the C.P.R. is a private corporation about which it can do nothing, because the government has a responsibility to the Canadian people to see that the essential services are performed and delivered. All the services which are the responsibility of a public carrier must be fulfilled.

As I mentioned earlier, one of the most significant and evident effects of the C.P.R.'s policy is the demoralizing effect they have had on the employees of the company. Men and women have given years of service expecting to have a worth-while pass available during their retirement years, only to find that they have no pass at all because the trains on which the passes could be used are no longer operating.

The attitude of the C.P.R. in respect of pensions and the integration of those pensions with the Canada Pension Plan scheme represent another failure on the part of this company to fulfil its obligations. I have a letter dated January 18, 1966, which came to my hand just last week, written by a C.P.R. employee in my riding. He states:

> Since the introduction of the Canada Pension Plan the company's attitude has been anything but fair or democratic. They have drawn up a new schedule which downgrades the employees benefits from the Canadian Pacific Plan.

Any attempt that has been made by the unions or by the association of federated trades has met with blank silence as far as the company is concerned.

This man then states:

> We think that the Canadian Pacific's attitude can only worsen the already strained labour relationship between it and its employees. Other firms, by mutual agreement have integrated their plans along with the Canada Pension Plan to mutual satisfaction. Why is it not possible for us to do likewise?
>
> As you can see, the company persists in using the Old Age Security pension to substantiate its stand.
>
> We claim the old age security is a condition of Canadian citizenship paid out of income tax by the individual and has no bearing on the Canadian Pacific plan.

• (7:40 p.m.)

Mr. Pickersgill: Mr. Chairman, I am raising a point of order but not in any contentious spirit. I do not know whether the hon. member for Red Deer was in the chamber when I raised the same point with respect to some remarks made by the hon. member for Winnipeg North. It does seem to me that,

while observations about the Canadian Pacific pension plan may be relevant to the estimates of one of my colleagues, by no stretch of the responsibilities of the Minister of Transport does it come in any way within the purview of my rather wide administrative responsibilities. I wonder whether the hon. gentleman would be willing, as was the hon. member for Winnipeg North, to save this part of his remarks for the appropriate minister.

Mr. Thompson: Mr. Chairman, I was in the chamber when the minister replied to the hon. member for Winnipeg North, but I am emphasizing two aspects of this matter tonight. The first is that unless the government does something about the present policies of the C.P.R., there will be no alternative but for the government to take it over. It seems to me that the government has some immediate responsibility—and the Department of Transport is involved in this matter—in the over-all picture to make sure that the C.P.R. lives up to the obligations it has to the Canadian people and the country as a whole.

I was mentioning this point as it relates to pensions only to emphasize the fact that these policies are having an extremely demoralizing effect on the employees of the C.P.R. This is bringing us to a point of strain in labour relations which could well, as it goes along with other problems that are today facing the employees of the railways, reach a point where we could be facing before our centennial year a national rail strike. One has only to read the newspapers day by day to understand that this threat is coming closer and closer.

What I am saying is not dealing with the Canada Pension Plan as such, but is only emphasizing the fact that the Department of Transport has a very specific responsibility in this connection. The minister of this department carries a responsibility as far as transportation and public carriers in this country are concerned. I am convinced that the government is not doing what it should be doing at this time to make sure that the critical situation which is now developing is stopped.

In a matter of months we face our centennial year. The demand for passenger traffic on the trains across this country will be greater than ever before. This heavy demand will also apply to other forms of transportation. It seems to me that the C.P.R. should be following the pattern that has been set by the C.N.R. to upgrade the passenger service and prepare for the tremendous traffic load that will occur next year, and which I am convinced will continue after 1967. I say this, Mr. Chairman, because I believe we have entered that part of the cycle following a period where rail passenger traffic has not been as profitable as it should have been, will begin to come back into its own.

It is interesting that the policy which the C.N.R. has followed has been adopted by a public corporation when it should have been the private corporation that took this lead. The C.P.R. is certainly failing in its obligations to the Canadian people. Therefore I would emphasize in these remarks the need of the governments taking action as it relates to the Canadian Pacific Railway. Before leaving the question of the C.P.R. I would again emphasize this point to the minister. If the C.P.R. is deliberately asking for take-over, then it should consider its responsibility to the people of Canada as this responsibility relates to assets other than tracks, right-of-way and rolling stock. We find that the real estate of the company has been placed completely in the hands of an entirely separate corporate structure. Its mining, industrial developments and natural resources have been removed as the assets of the company, leaving only the railroad as such. This is something that was never intended in the original agreement with the C.P.R. These resources were provided to the C.P.R. in order to compensate for the tremendous costs and risks involved in constructing and operating the railway. Now these assets are being used for other purposes altogether.

These resources did not belong to the government or to the C.P.R.; they belonged to the people of Canada and are not being used for the benefit of the people of Canada as they should be.

There is one other point I should like to raise at this time, Mr. Chairman. It relates to my constituency and the need for a municipal airport in Red Deer. I dare say the city of Red Deer, a city now of some 27,000 people with a greater population in the immediate hinterland, is one of few such areas in this country that does not have a municipal airport. The reason an airport has not been established has centred around the uncertainty of the future of the R.C.A.F. air base at Penhold. The Department of National Defence have now indicated that in their plans for this base they do not intend to use its flying facilities for military purposes. They have indicated that the flying facilities at

Penhold air base will be available to the Department of Transport, as a civilian airport.

I would impress upon the minister that the need for a municipal airport in the Red Deer area is such that action on the part of his department is urgent. I think it was only last week the Department of National Defence indicated that their program did not require the flying facilities at Penhold, and I would hope the Department of Transport would move rapidly in making a reasonable arrangement in respect of these facilities, which include the weather station and the radio communications system that are now available at the base through the Department of Transport. I am grateful there has been some indication that action will be taken soon in this regard. I would remind the minister, however, that the facilities at R.C.A.F. Penhold are much more elaborate than the normal aiport requirements of a community of this size.

For this reason, Mr. Chairman, in my opinion it will be necessary for the Department of Transport to make a special allowance because there are available not only the airport facilities but the weather bureau and the radio communications system that could well be part of the airport. I mention this point because the matter has come finally to a head in the last few days. It is something for which the community has waited for the last three or four years since the decision was taken by the Department of National Defence to not continue flying training at this base. I believe the city council and the community at large have been patient in this regard, because they realized the folly of spending several hundred thousand dollars for the construction of a municipal airport when those facilities were perhaps going to be available at the military base already there, which has been operation for the past number of years.

I would draw this matter to the attention of the minister. I also emphasize that all he has heard about the C.P.R., not only what I have said but what my colleagues and other members of the house have said, in this debate collectively points up the absolute necessity for the government taking some action.

• (7:50 p.m.)

Mr. Watson (Châteauguay-Huntingdon-Laprairie): Mr. Chairman, I am intervening very briefly in this debate to obtain an assurance from the minister on three points that affect my constituency. I hope the government will examine the feasibility of making the locks at Welland, Beauharnois, Cote Ste. Catherine, when they are eventually twinned, at least 1,000 feet in length. This is of immediate concern so far as the Welland locks are concerned. The United States government has already indicated it is going to build a set of locks 1,000 feet in length at Sault Ste. Marie. The indirect benefits of these locks would be as important as the direct benefits. There is no question but that the competitive position of our inland shipping industry as compared with foreign shipping on the Great Lakes, would be immeasurably strengthened.

We should consider also the fact that these new lake carriers which will be built to use the larger locks would be built in Canadian shipyards and would result in increased employment for our shipbuilding industry. I strongly urge the Minister of Transport, if he has not already done so, to restudy the twinning of the Welland Canal. The second set of locks must be built to take advantage of any shipbuilding technology which now makes 50,000 ton lake carriers feasible. There is no doubt in my mind the minister would bequeath to Canadians an inadequate legacy if, under his ministry the Welland locks were twinned at less than 1,000 feet per lock.

[*Translation*]

In French now, I would like to raise a second point.

I hope the minister will consider favourably setting up a Harbours Board at Côte St. Catherine. The public, even in the region of Montreal, does not know that, since the seaway was built, Côte St. Catherine, in the riding of Laprairie, has a deep water wharf 4,000 feet long belonging to the seaway.

Because of insufficient accommodations, that harbour, which represents a frozen investment of $2 million, has not been used for the last ten years. What a waste, Mr. Chairman.

I therefore suggest that a deep water wharf be built at Côte St. Catherine. With the help of the federal government, that would facilitate the building of warehouses and a grain elevator.

A grain elevator on the south shore is necessary to serve the farmers in the southwestern area of the province of Quebec, and there is no doubt that such an elevator would be an economic proposition. There is now at Ville LaSalle, a municipality located three or

four miles from Côte St. Catherine, two large breweries and flour mills which could use a grain elevator.

In order to get maximum use out of the wharf which already exists at Côte St. Catherine, the full co-operation of the Minister of Transport, the seaway officials and the municipality of Côte St. Catherine is needed.

I hope that the Minister of Transport will bring all the necessary attention to that project and that he will give it his full support because it really deserves it.

[*English*]

The third point that is of immediate concern to my Mohawk Indian constituents of Caughnawaga is the possible future twinning of the seaway canal system in their part of the country. They are concerned that another expropriation may occur. The minister is as aware as anyone in this house of the problems which resulted from the initial expropriation, some of which unfortunately have not been settled as yet. I am confident that he and the St. Lawrence Seaway Authority will do their utmost to avoid any further expropriation of Indian reserve land in Caughnawaga.

Mr. Harkness: Mr. Chairman, at the risk of being somewhat repetitive, I should like to add my protest to the many already made in connection with the withdrawal of the "Dominion" by the Canadian Pacific Railway, and the general impairment of passenger service so far as that company is concerned. I think there is no question but that the Canadian Pacific Railway has been making a deliberate effort to get out of the passenger business. In order to do that, the company has been reducing service on its trains, except the "Canadian", to a minimum, with a view to discouraging people from travelling on these trains. The company would then get into a position where it could present a good case to the Board of Transport Commissioners and, of course, what it hopes will be a good case to the cabinet during the hearing of this appeal. I trust when the cabinet does hear the appeal concerning the withdrawal of the "Dominion", they will take into consideration all the general factors which I think it is essential to consider in coming to a decision as to whether or not the company should be allowed to withdraw this train.

The chief purpose for which the railway company was given a charter was to provide

[Mr. Watson (Châteauguay-Huntingdon-Laprairie).]

freight and passenger service. I do not believe there is any question but that the various payments made to the railway company were in consideration of the fact the company would provide satisfactory service for both freight and passengers. I believe that provision is laid down in their charter. At this late date it seems to me that any attempt on their part to withdraw from that responsibility for passenger service must be resisted, and it is the responsibility of the government to see that adequate passenger service is provided.

In spite of the fact there are large numbers of people who do not use the trains any more, there are some who do use them. I feel quite a lot more would use them if the service provided were satisfactory. During the last two or three years, certainly, the service provided on the "Dominion" has not been such as to encourage anybody to take a second ride on that train. It is not at all surprising, therefore, that the figures produced as to the amount of traffic it carries do not indicate heavy travel.

On the other hand, I know from my personal experience as well as the experience of many of my friends, that there is always great difficulty in securing reservations on the Canadian Pacific Railway at any reasonable length of time before a person wants to begin a journey.

Another example of the same sort of thing is the train from Calgary to Edmonton.

• (8:00 p.m.)

The dayliners used on that run were fairly well patronized, but during the past year the C.P.R. almost doubled the fare. The fare to go from Calgary to Edmonton by either C.P.R. or C.N.R.—the C.N.R. train has a more roundabout route and takes a little longer—was the same. At the present time the C.P.R. fare is almost twice that of the C.N.R. I do not think there is any question that this increase in fare was put into effect to discourage people from taking the train. Thus in the course of a year or so probably a fair case could be built up for saying that there was not sufficient demand for the train, and therefore the C.P.R. should be allowed to discontinue it.

Continuation of tactics of this kind will, of course, come to this. If a case can be made that the amount of passenger traffic does not warrant the continuation of a train in service, so that the C.P.R. is able to get out altogether from the passenger business, the general public will be left with only two forms of travel

over a good part of the country, namely either air travel or bus travel. As far as the smaller towns in particular are concerned, they have no air service and are not likely to have it in the foreseeable future.

For these reasons I hope very much that some means will be found to ensure that the "Dominion" is continued in operation and that an adequate rail service is provided along other lines, consequent upon the responsibility of the railway to provide adequate passenger service, whether or not that particular service happens to pay as a result of the way in which the line is run. In other words the railway should be made responsible for providing a sufficiently good service to attract sufficient passengers so that the line will pay for itself, or come close to paying. I think that situation would be arrived at in many cases if any real efforts were made by the C.P.R. to attract customers, to make their journey a comfortable one, and to provide them with the type of accommodation which people have a right to expect at the present time.

[*Translation*]

Mr. Mongrain: Mr. Chairman, I have heard almost all the speeches delivered since we began considering the estimates of the Department of Transport. That was my way of going through what I might call my basic training, to use a military term. It was also perhaps my way of showing my sympathy for the minister (Mr. Pickersgill) by staying here with the man who, because of parliamentary procedure, must go through this endurance test.

I learned many things just the same and I come out of it with the personal conviction that the minister is more in need of sympathy and suggestions than criticism. I admired the composure with which he acknowledged the words of praise as well as the harsh criticism directed at him with some vigour at times.

With regard to the riding of Trois-Rivières, I must admit quite frankly that the harbour at Trois-Rivières has been well treated by the federal government in the last few years. And to hide nothing, I must say that we must be thankful also to a large extent to the previous government which, at that time, numbered among its members as Minister of Transport, my predecessor who has become a black sheep in the conservative family but who surely had a lot to say when that project was drawn up.

I do not want to repeat what I said here the other day, but I want to point out once again that Trois-Rivières is the heart of the province of Quebec. It is also, to a certain extent, at the cross-roads of all the important means of communication by sea, highway, railway and air, in that province.

Moreover, the creation in the near future of a provincial steel industry, known under the name of Sidbec, in the neighbourhood of Trois-Rivières, will require without delay several other measures to make sure that this undertaking and all related undertakings can develop within a reasonable time and to the greatest advantage of the province and the country, because everyone knows that a basic industry, particularly a steel industry, will have favorable repercussions on the Canadian economy as a whole.

Moreover—I apologize for repeating it—the thruway the provincial government has started to build between Montreal and Quebec City, the trans-Quebec highway running from Chibougamau, through the Lake St. John region, La Tuque on to Trois-Rivières and from there to Sherbrooke and the American border, cutting the province in two from north to south, all that will make of Trois-Rivières an even more important junction point than it now is.

If governing is foreseeing, then it is my duty to draw the attention of the Canadian government to its responsibilities in connection with that development.

[*English*]

The most urgent problem in my riding, Mr. Chairman, is one which concerns the grain elevators. Up till now, through a special arrangement they have paid a lump sum of $28,000 in municipal and school taxes every year. This year this arrangement was abruptly ended and they are now faced with an increase of about $255,000. We all know that our grain elevators have to compete with those administered by the National Harbours Board and that these elevators do not pay such taxes. Moreover, we also know that the tariffs charged by the grain elevators are fixed by the grain commission and this puts our own elevators in an awkward position, indeed in a desperate situation.

Keeping in mind that since a substantial amount of grain shipped by our country to foreign countries goes through our elevators, thus helping to solve our national economic problem, namely that of our trade balance, I

submit that the minister should consider this problem a very urgent one.

In the last five years our own elevators have greeted 420 Great Lakes ships and 1,500 carloads of grain. Some 178 million bushels of grain have been shipped on 440 ocean liners.

Three Rivers Grain Elevators Company has spent in the last five years $7,310,000 in salaries and sundry expenditures in my home town. More than 7,161,180 tons of merchandise of all kinds have been handled by our elevators during those last years. Again I point out that due to the impact of such an industry on our national and on our local economy, this matter should be granted top priority by the minister in order to find a solution.

[*Translation*]

Here is, in my opinion, the remedial action that should be proposed:

1. I believe a meeting should be held between the authorized representatives of the National Harbours Board, the Quebec Minister of Municipal Affairs or his representatives, the municipal authorities of Trois-Rivières and those of the Three Rivers Grain Elevators Company.

2. I have the impression that the Trois-Rivières municipal council, with the consent of the Quebec Department of Municipal Affairs, following such a meeting, would be willing to make certain arrangements, possibly according to a progressive formula.

3. Nevertheless, this will not be enough. The Canadian Wheat Board will probably have to agree to some increases in handling rates, while keeping them competitive with those of other countries.

• (8:10 p.m.)

4. The National Harbours Board should, in addition, grant some rent reductions and even go as far as to grant subsidies to counteract this unfortunate tax increase through which our grain elevators are in danger of disappearing.

Mr. Chairman, if the fact that the Trois-Rivières harbour is one of the most profitable in Canada is taken into account, I shall be deemed justified in making such proposals. I repeat that a solution must urgently be found to this problem to benefit all interested parties.

I shall digress to emphasize another situation I find difficulty to understand.

These last few weeks a new manager from God knows where has been named to the port of Trois-Rivières. I am told that he has only served five years with the National Harbours Board, that he has passed no civil service examination, that there has been no call for applications for this position, and that although his name is Lauzon he is, practically speaking, painfully bilingual. Far be it from me to blame him for this deficiency and if his name were Webster or Pickersgill, I would, on the contrary, congratulate him for the little bit of French which he knows.

But I know that we already had, among the personnel of the Trois-Rivières office, competent employees with 10, 15, 20 and 25 years of service. There was even one who had given up his turn for the position of manager and who had then been promised this promotion.

I fail to see why a person with only five years' experience was appointed, unless it is shown that he is extremely competent.

I intend, Mr. Chairman, to make a full inquiry into the standards set for promotions within the National Harbours Board.

As I was saying, in view of the tremendous industrial and business development which can be expected in my region, it is absolutely necessary to plan development of port facilities in Trois-Rivières and Cap de la Madeleine.

I apologize if I am trespassing on the grounds of my colleague, the hon. member for Champlain (Mr. Matte), but in a few months it will all be part of my constituency, and I am making a head start.

Planning should then be considered in terms of the next ten years, for what we now have is becoming inadequate in view of what is expected in our area. I submit that it would be wise to extend port facilities towards Cap de la Madeleine in order to better serve the industries in the Trois-Rivières area, west of St. Maurice, north of the St. Lawrence.

At one time, during the first world war, Trois-Rivières had its own dry dock. We feel, back home, that arrangements should be made to refit this dry dock, at least for ships of low tonnage, always keeping in mind what is expected to come into the area. And we would be killing two birds with one stone, because the Trois-Rivières municipality, with the co-operation of generous citizens, has invested several thousand of dollars to build a marina which is certainly one of the most modern and best located in Canada.

It already accommodates a great number of American crafts and an overload is expected for 1967. All that is needed is a little dredging and some secondary facilities.

Always with 1967 and the World Fair in mind, I agree with my colleague, the hon. member for Sherbrooke (Mr. Allard), that the Sherbrooke airport should be used as ancillary to that of Montreal. But I add that the Trois-Rivières airport, with its 6,000-foot runway—which should be immediately extended to 10,000 feet—where the city has erected an air terminal—one of the most original in the country, let it be said without bragging—will also be called upon to render great services next year.

One can see the importance of a secondary airport such as that of Trois-Rivières by considering the following figures:

His flying school certifies an average of 35 new pilots each year. Last year, visiting airplanes only made 3,920 landing on the Trois-Rivières landing strip, and the local pilots, including student pilots, made 7,425 landings. In the records of the flying club are entered the names of 1,080 visiting pilots. This is impressive, and I think I should thank Air Canada, on behalf of the population of Trois-Rivières, for having realized the tremendous possibilities of the central region of Quebec and for providing us with a scheduled service twice a day to Montreal or Quebec City, to connect with long distance flights. I should only suggest that Air Canada might return to the former route which provided a better connection with the Montreal-New York, Montreal-Toronto and Montreal-Ottawa runs.

Mr. Chairman, we are modest people in Trois-Rivières; nevertheless, we like to claim that our basic industry is the production of top men.

I should like to note that the president of the Canadian Trucking Association, Mr. George Gouin, is precisely a citizen of Trois-Rivières and that he is experienced in every phase of trucking in Canada.

On January 12 last, speaking to the Manitoba Division of the Canadian Industrial Traffic Association, he gave a most important address from which I should like to read two or three excerpts. I quote:

> We are affected by regulating policies of the federal government governing our industry and other parts of the transport industry.
>
> We are adversely affected by the federal government's policies with regard to subsidies.

A little further, Mr. George Gouin insisted on another crucial problem of the trucking industry in Canada. He said:

> At the present time, jurisdiction on trucking operations is shared by the federal and provincial governments. Under existing federal legislation, the extraprovincial regulations are administered by provincial boards without any co-ordination or even uniformity. That system leaves much to be desired as far as extraprovincial trucking operators are concerned.

Mr. Chairman, when you realize the importance of transport facilities for the development of the country, when you think of the huge sums of money that the federal government allocated for the development of railway lines and roads in this country, as well as the beneficial results of such measures for Western Canada, for instance, you cannot but come to the conclusion that the government should study in a constructive way the problems of the truckers in this country.

And I borrow my conclusion from the president of the Canadian Trucking Association, saying:

> The year 1966 will register a catastrophe in the Canadian trucking history, the results of which will damage for years to come the national transport services, or it will be a turning point towards a national new and more sensible transportation policy.

Our friends from out west have much to tell us about railway transport: I can only approach the subject with great hesitation. I thought it was a local problem but I realize that the problem of the Canadian Pacific exists right across the country. Almost too much has been said about this in the last three years. I shall not blame my western friends for talking about it.

On the contrary, allow me to pass a small remark. In my region and in the province, when the Canadian Pacific decided to remove trains on economic grounds and to reduce its personnel or cut service for a year or two, it gave so deficient a service that passengers became disgusted and stopped using the railroads as much as they could, thus giving a very strong argument to those who wanted to economize to the detriment of the travelling public.

I should like to allow myself one last remark. I refer to airfields. I would ask the Minister of Transport to tell the house whether his department has a definite and consistent policy on private flying, clubs in particular. I doubt it. It is a field I have studied and in which I am interested. That is where you find aviation fanatics, who are usually found at the origin of all progressive initiatives.

I suggest that the minister should inaugurate an annual conference with the officials of bona fide private and sports associations in

order to hold discussions with them, having in mind the best interests in this area of our Canadian way of life. Private runways should be multiplied and minimum services assured.

Mr. Chairman, I shall conclude my observations by summarizing what, in my view, constitutes the main things to achieve for the progress of our region.

I say once more that the most urgent problem facing the National Harbours Board is to help us solve the grain elevator problem and, then, the other problems in the same order as I have listed them.

• (8:20 p.m.)

[*English*]

Mr. Nowlan: Mr. Chairman, I did not intend to participate in this debate, as more atmosphere most likely should be absorbed by any new member before making a maiden speech. However, as the estimates of the Minister of Transport are under review, and as transportation, or the lack of it, is one of the vital problems in my constituency, I wanted to make a few general remarks on transportation as it affects Digby-Annapolis-Kings on land, sea and in the air. I know the amiable minister is well acquainted with some of the difficulties. In fact, in a way I feel he is a telegraphic pen pal of mine and now, in a different forum, we could perhaps complete our correspondence.

Seriously, sir, transportation is one of the most urgent problems affecting the maritimes in general, Nova Scotia in particular and Digby-Annapolis-Kings specifically.

I do not intend at this time to refer to the contradiction of transcontinental routes by train and air, which always end in Montreal —and then with transshipment and delay the journey is completed to the east. For the time being I shall stay silent on that problem in scheduling, which is as sterile as the policy which allows it. What does give us concern are services of a more local character which adversely affect regions which can ill afford it. It seems a strange paradox in this day of science and communication, when we reach for the moon, that as far as local transportation is concerned we are worse off than in the days of sail.

I wish mainly to discuss the sea—the only service in western Nova Scotia which provides a link with the rest of Canada. But before I do, rail and air deserve some comment. We in the east join in the chorus of protest over the rail line abandonment and cut back in service of the C.P.R. We look with apprehension at what that corporate body has already done. We fear what it may still do. We await with anticipation some guide lines of direction from the government to strike, not a balance in the books from red to black, but a balance of responsibility between the community on the one hand and the corporation on the other. Surely a company which helped to build this nation, and received a sizeable portion of it, cannot now cut the umbilical cord which was and is transportation, with the scissors of a profit and loss statement.

In the valley there has already been one attempt at the Dominion Atlantic Railway, the only rail route between Halifax and Digby. There is no double track here. But at the moment there is, and has been for over 50 years, a morning and evening train service between Kentville and Halifax. And regardless of the doubling of fares and cut-back in service and co-ordination with the Canadian National Railway out of Halifax, it is still, for many, the only way to travel between the valley points and the financial and business centre of the province. Regardless of tourists in our centennial year, the provincial takeover of the Digby Pines, and students at our schools and universities, there are scores of people who go to Halifax by rail for medical and hospital care because they cannot travel by road. If the "Dominion" can be cut, what about the Dominion Atlantic Railway. Here is another area where the people long for federal direction—and, if necessary, intervention.

I come now to a service which has already been eliminated. I refer to the status of R.C.A.F. Greenwood as an alternate stop for Air Canada planes when Halifax international airport is fogged in. For many years the fog in the east, which persists long after elections, closed down Halifax and the huge air base at Greenwood was a natural alternate stop. Usually when the ceiling is zero over the maritimes, Greenwood is open. This is a far cry from the present when passengers from Montreal often land in Stephenville, Newfoundland, or are returned to their place of origin when Air Canada cannot land in Halifax. It seems such a relatively simple procedure, as in the past, to have the airline limousine, with personnel, come out from Halifax to service the altered course of the aircraft. There have been many millions spent at Greenwood and many taxpayers who while away their hours in Stephenville start to wonder about life in general and the government in particular when they phone

home to the valley to tell their expectant wives and children of the unfortunate change in plans. And their wives, in any kind of condition say, as they usually do, that in the valley the ceiling is high and the weather clear.

I now come, sir, to the sea—and I know the minister from the maritimes has a special fondness for it. But I challenge him, with all his nautical ability and experience before the wind, be it political or otherwise, to dock the schooner he once possessed at Digby wharf in any type of gale.

Mr. Pickersgill: I have lost her, so it would be impossible.

Mr. Nowlan: Well, it is difficult even if you have a ferry, like the one we had, which plies to Saint John. I know the minister has heard the many representations which have been made about the inadequate wharf at Digby, and the archaic ferry service to Saint John. In the days of sail and early steam Nova Scotia had, for those days, sufficient transportation service to the New England and upper Canadian markets. But while there has been progress in every other field the present and only ferry connection for all western Nova Scotia to the rest of Canada and the market of Montreal, via Saint John, has continually slipped behind.

Can members of this committee believe in this day and age of tractor-trailer transport that the C.P.R. ferry between Saint John and Digby cannot take any vehicle larger than a half-ton truck. And this is supposed to be the eastern terminus of a national company discharging its responsibility to the people of the maritimes.

Mr. Chairman, the lack of modern transportation facilities to the markets of New England, Montreal and Toronto, is crippling the growth of all western Nova Scotia. Not only does this gap in transportation prohibit any growth in industry, but it is stifling what we already have. Not only are we handicapped in getting our goods to market, but because of the complicated and lengthy transshipment process we have hurdles to overcome in getting machinery and parts to service our plants.

• (8:30 p.m.)

I believe the minister has already acknowledged that this ferry service is an essential link in our national transportation network. If it is essential, it is certainly not now effective. I appreciate a commission is now studying maritime transportation problems, but we do not know when it will report. There is some rumour that it will not be for 18 months, and we all know that can be two years or more. Why is it necessary to wait that long before any move is made to improve an essential service which even the minister himself admits is essential, and which all people in the east recognize is ineffective? Surely negotiations should be under way with the C.P.R. to define the areas of responsibility and start action on improving a service which is worse than in the horse and buggy days.

There is a precedent for action, the type of action which a dynamic government could take. For several years I lived and worked in British Columbia. I think that experience was a broadening one. While Premier Bennett and I did not see eye to eye on several subjects, he does get things done. For years in B.C. the C.P.R. was providing an ineffectual service to Vancouver Island. People complained. The economy suffered. Finally, Mr. Bennett took action: He took over the ferries and his service is now the showcase for the entire Pacific northwest.

The responsibility for the maintenance and improvement of this service rests primarily with the federal government. If the C.P.R. will not live up to its obligations, then the government has to act. The cloaking of the issue in a commission does not solve the present problem. A half-ton truck may provide transportation, Mr. Chairman, but it does not provide service. The people look for action. We hope the minister will act, and activate the present inactive situation.

Mr. Knowles: Mr. Chairman, if I may be pardoned a personal reference, during the course of this debate I have found myself recalling one of the first speeches that I had occasion to make in the House of Commons shortly after I first came here nearly 24 years ago. That speech was an attack on the C.P.R. On that occasion, however, I was as popular in this house as a skunk at a garden party.

Mr. Byrne: That has not changed.

Mr. Churchill: What makes you think there has been a change?

Mr. Knowles: I was about to say that the situation has changed but I think there were one or two interjections which would spoil that follow-up on my part. However, Mr. Chairman, because the case against the C.P.R. has been made so fully and has been documented so well, it is not necessary for me to

spend much time elaborating on that case. I do think, however, that at some point this discussion about the C.P.R. should result in a clear statement to the government as to what ought to be done.

We have to face the fact that transportation is one of those services that the public must have, and when you are concerned with a public service, in the long run it just is not realistic to expect that that service will be provided by an organization whose main interest is in the making of private profit. So long as there was huge profit to be made out of transporting people by rail, so long as there was huge profit to be made out of transporting heavy produce such as wheat, by rail, the C.P.R. as a private organization was pleased to engage in that kind of business. Mind you, it was given the tremendous start that has been documented several times during the course of this debate. I have in mind the huge grants of money and of land that were made to it back in 1880, together with the additional grants of land and money, and other benefits given to it at the expense of the public over the years.

My colleague, the hon. member for Winnipeg North, pointed out this afternoon that these grants run to the order of $100 million in money and over $400 million in land. I suppose there is no way of estimating what has been given in terms of oil and mineral rights, and all the other ways in which the C.P.R. has been allowed to make huge profits. I suppose there is no way of calculating what this company has received in terms of taxes it has not had to pay, at all levels of government.

One of my first experiences in public life was to be a member of the council of the city of Winnipeg. I remember our concern back in those days with the fact that the city fathers of the last century, in attempting to persuade the C.P.R. to come to Winnipeg, had guaranteed that its property in the city would be free of municipal taxes forever. Forever is a long while, and after a time it becomes very costly.

As I say, Mr. Chairman, all kinds of benefits were given to the C.P.R. in return for which it contracted to run a railroad, to run it efficiently, to provide rail service for Canada; and again the word "forever" was in that contract. But now that there is no longer profit to be made out of passenger rail service it has become quite clear that the C.P.R. is doing everything that it can to get out of that operation. Members in all parties on both sides of the chamber have recounted again and again the way in which trains like the "Dominion" have been discontinued, the way in which service has been made unattractive, the way in which the C.P.R. is literally saying to its customers, "We don't want your business any more."

The hon. member for Red Deer made it pretty clear earlier this evening that the C.P.R. is getting itself into a position to unload at least its passenger service, and perhaps even some of its heavy freight service, onto the government of this country.

Instead of our just repeating these charges, instead of our just recounting this indictment against the C.P.R. over and over again, we should lay down a basic principle, and I think the basic principle which the government should accept and should use is this: It should say to the C.P.R. that either it must provide the railway services that the country needs, the services that it is under contract to provide, and charge any losses on those railway services against the profits of its other operations, or it should turn the whole of its operations over to the government of this country to be run as a public enterprise.

Some hon. Members: Hear, hear.

Some hon. Members: Oh, oh.

Mr. Knowles: Mr. Chairman, I heard a grunt or two to my right. I am not surprised at that kind of grunting coming from some of the members who have been saying the government should tell the C.P.R. what to do. What some hon. members would be satisfied with would be for the government to get into an altercation with the C.P.R., with the result that the government would just take over its passenger rail operation. But we insist, Mr. Chairman, that this company which has been able to make such huge profits out of a public service over the years should not now be left with the profitable operations, while it turns over the uneconomic and unprofitable operations to public ownership.

In this same vein, Mr. Chairman, I want to assert very vigorously that in our view the government will be false to the people of Canada if, instead of acting firmly on this matter, of instead of saying to the C.P.R., "Either you provide this service and charge it to your other profits or we take over the whole operation," it rewards the C.P.R. for its failure in its rail service by giving it more air routes. I say that would be a case of the government failing the people of this country.

• (8:40 p.m.)

There is no secret about it. I suppose the proper way of putting it is that it is an open secret that the Canadian Pacific has its eyes on additional main line air routes across Canada. It has its eyes on some of the new routes that have been opened up under the recent bilateral agreement, such as the route between Vancouver and San Francisco and the route between Toronto and Los Angeles. But I say to you, Mr. Chairman, if as a result of all these negotiations and importunities on the part of the Canadian Pacific the government lets this company off without providing railway passenger service, and in return rewards it for that policy of neglect by giving it another transcontinental air route, and either the route to San Francisco or the route to Los Angeles, this will be a matter of disgrace as far as the government of this country is concerned. These routes must not be given to the Canadian Pacific. This would be a case of betraying the best interests of our people. I urge very strongly that the government make its position clear on this whole matter with respect to the Canadian Pacific Railway.

Like my colleagues who have spoken, and like my hon. friends in other parties, I should like to take a bit of time to go into the indictment that can be made against the Canadian Pacific Railway for its failure to provide services. But that case has been made. What matters now is what this government is going to do; and I call upon the Minister of Transport in this debate to make a clear statement as to what the position of the government is with respect to the whole Canadian Pacific organization—its railway, its hotel operations, its investments, its mining and other operations and its air services, in respect of which this company is now anxious to make huge profits. I can see the same thing happening again if the Canadian Pacific is given further rights in the air, and if in the course of time some other means of transportation develops, the Canadian Pacific will then try to unload its air services as well.

Transportation is a public service which comes awfully close to being a natural monopoly. This is something that should be run, not for the benefit of making profits for a private organization but for the benefit of the people of Canada as a whole.

I was disturbed last summer when I read a press release concerning the appointment of Mr. Stephen Wheatcroft to make certain investigations for the Minister of Transport. I have asked a couple of times whether the Wheatcroft report has been received, and I gather that it has not; but what disturbed me was that part of the press release which set out the terms of reference given to Mr. Wheatcroft. Apparently he was literally asked to ascertain whether it would be possible to have more competition in air services along the main lines across Canada without hurting the position of Air Canada. To me that is like going to a lawyer before you commit a crime and asking him if he can get you off if you do commit it.

The government surely should have its own mind made up as to what is good air policy for this country. The fact of the matter is that it has not shown that it has a policy. Surely it should have its mind made up and should not have to initiate an inquiry such as that being made by Mr. Wheatcroft.

All of these things I suggest add up to there being no policy at all on the part of this government, or to its having a policy simply condoning whatever the Canadian Pacific is doing and handing over to the Canadian Pacific anything that organization wants. This is an organization which, over the years, has exploited the Canadian people. It has made millions out of the services that it has provided, without concern for the people of this country. Not only does it show a disregard for the needs of other people generally, but its attitude toward its employees is one that is a black page in Canadian history.

I said that one of the first issues I raised when I came to this house nearly 24 years ago related to the way in which the Canadian Pacific Railway had treated its employees who were involved in the 1919 strike with respect to their pension rights. I am happy to say that after a few years of raising that issue, time and time again, and after making a direct appeal to the prime minister of that day, Mr. Mackenzie King, I was able to persuade the government in 1948 to accept legislation making it illegal from then on to interfere with pension rights because of the loss of time due to a strike or lockout. But Mr. Chairman, the Canadian Pacific Railway, which found ways in which to exploit its employees in days gone by, is still up to the same sort of trick. Today, for example, we have the Canadian Pacific Railway quarreling with its employees over every little detail in the Canada Labour (Standard) Code. This is a piece of legislation put through parliament for the benefit of the workers of this country. We went through all its various

details at great length. Now along comes the C.P.R. with its legal brains trying to find ways in which to deprive its employees of the benefits of that code, simply because it does not want to accept legislation that makes things better for the workers.

The story of what the Canadian Pacific Railway is doing with the Canada Pension Plan and with respect to its own C.P.R. pension plan is likewise a very serious one in the annals of the history of this country. Here we have an organization which exists by virtue of what was given to it in terms of land grants, of moneys, rights and so on. Even in this day it acts completely unilaterally with regard to its own pension plan, telling employees what changes are going to be made, and telling them just how it is going to—

Mr. Pickersgill: Mr. Chairman—

Mr. Knowles: Just a moment. I know the minister is going to raise a point of order to the effect that matters relating to C.P.R. pensions have nothing to do with his estimates.

Mr. Pickersgill: I think, sir, that the hon. gentleman anticipated that I was going to raise a point of order. I am raising a point of order, and it is precisely the same point of order I raised with the hon. member for Winnipeg North and the hon. member for Red Deer, but with a little more sharpness because this hon. member has been 24 years in this house, very much longer than I have, and he knows the rules so well. By no stretch of the rules could a relationship of the C.P.R. with its pensioners be brought within the administrative responsibilities of the Minister of Transport. I am quite sure that the hon. member knows that.

Mr. Knowles: Mr. Chairman, on the point of order, may I tell the Minister of Transport something that he ought to know, and it is this. When I appealed to the government of Mr. Mackenzie King, and he was connected with that government in a certain capacity, for action regarding the pension rights of railway workers, what minister did regard this as his responsibility, and what minister did bring in an appropriate amendment to make the change? It was the then minister of transport who recognized in that day—and he was told by Mr. Mackenzie King to recognize it—that it was his responsibility and that this was a matter of concern to the minister who is responsible to parliament for the transportation industry of this country.

I submit that if any of the policies of the railways are of concern to the Minister of Transport, surely the way in which the C.P.R. or the C.N.R. treats its employees in terms of their pensions is part of his responsibility, and this is just as much in order during the consideration of his estimates as it was in the days of Mackenzie King.

• (8:50 p.m.)

However, Mr. Chairman, I was only using this as an example. I will come back to this subject at another point but at this time I just put this forward as an example of what this company is doing vis-à-vis its employees. It ignores their rights in the same way as it ignores the rights of the people of Canada to the kind of service a railway ought to be providing. There are other matters in respect of which employees have a grievance against the Canadian Pacific Railway—one of which is the way in which it is making its passes of no value at all. But we can get at that, I hope, when we have the Canadian Pacific Railway people before the standing committee, perhaps in a few days.

I want to say a word about one or two other subjects that come under the responsibility of the Minister of Transport. But I wanted to deal with the Canadian Pacific Railway first because I think it is one of the most important issues facing parliament; the number of speeches that have been made on it make that very clear. I hope the minister does not regard these just as speeches he has to endure; I hope he realizes that this is an issue about which he is going to have to take action.

I wish to say a word or two about air policy, or the lack of air policy, on the part of this government. Here, too, I am joining with my colleagues from Winnipeg—I was going to say my colleagues of all parties, but the Liberals do not have any members from Winnipeg, and I suppose there is good reason for that.

I wish to deal with what the government has done to Winnipeg as an air centre. Maybe we people in Winnipeg have an exalted opinion of the importance of our location, but we do not think so. Amongst the things that concern us is the failure of the government in the recent negotiations with the United States for a bilateral agreement to get any additional route out of Winnipeg into the United States. In fact I just cannot believe, indeed I

just do not believe, that the government put into those negotiations the vim and vigour that it should have, particularly with respect to the run from Winnipeg to Chicago. Prior to the adoption of this last bilateral agreement, Air Canada on behalf of Canada had an exclusive run between Toronto and Chicago, but after these negotiations were over that run was no longer exclusive; I believe two American carriers are to be allowed to fly between Chicago and Toronto. If we lost something in that area between Toronto and Chicago, then surely there should have been a *quid pro quo*; we should have obtained the route between Chicago and Winnipeg.

I suggest that it would make sense for Air Canada, which has a transcontinental route that flies from Vancouver to Toronto, sometimes stopping at Winnipeg, sometimes coming through Edmonton and Saskatoon, sometimes coming through Regina and Calgary, to have a route from Vancouver to Toronto which sometimes would go via Winnipeg and Chicago. The one leg is there, Chicago to Toronto. It would have made sense not just for Winnipeg but for Canada and for Air Canada to have had the connecting leg from Winnipeg to Chicago.

As I say, Mr. Chairman, I find it impossible to believe that any real effort was put into those negotiations to get that sensible, additional leg, particularly when at the same time that we did not get the Winnipeg to Chicago route we lost the exclusive character of the route that we had between Chicago and Toronto. I know what we are up against. These are negotiations that cannot be reopened for three years. But it looks as though if this government is going to last we will have to keep arguing throughout those three years to obtain a better deal when the next negotiations come around.

I know the minister gets pretty impatient about grievances from Winnipeg regarding the way we have been treated in terms of transportation, but these grievances are very real and, as the hon. member for Winnipeg North said this afternoon, the people of Winnipeg and Manitoba are united on them. Other aspects of the problem have been spelled out by other members. I emphasize in particular the disservice the government did to Winnipeg, the disservice it did to Canada and the disservice I feel it did to Air Canada when it failed to get as part of that bilateral agreement the Winnipeg to Chicago run.

A local matter that I would like to mention with regard to Winnipeg is the promise we have had from this minister and the minister before him that something was going to be done about the situation at the Winnipeg International Airport with respect to the stairs that people have to go up and down when coming into that airport off the planes that land there. When you are leaving the airport it is not so bad, there are escalators to get up, and then you walk down; but when you are landing at Winnipeg you land on the ground level and have to go up a flight of stairs, and then down a flight of stairs, apparently for no reason whatsoever.

Apparently something went wrong with the design or the government ran out of money at the time. But two or three times the minister has assured me that investigations are under way as to putting in some kind of movable ramp to avoid this necessity. I regret very much that time seems to go by without anything being done about this problem. I urge the minister to give active consideration to this matter, which is important to the efficient functioning of the airport terminal at Winnipeg, and which is important to the large number of older people, people with children and so on, who use the facilities of that otherwise very attractive and very efficient airport terminal.

There is just one other matter I wish to mention before I sit down. It is one I have raised countless times and I hope I do not have to go on raising it countless times. I refer to the position of retired employees of Canadian National Railways. I know the minister's attitude and I am as sick of that attitude as he is of hearing me raise it. His attitude is that the government cannot do something special for retired civil servants or for retired Canadian National employees. This is an attitude that seems utterly unwilling to recognize the fact that the government has a responsibility to these groups of people akin not only to its responsibility to citizens generally, but it has a responsibility to them as an employer.

I know that the Canadian National is the employer and not the Canadian government, but I also know that when the Canadian government wants something done in this area, something gets done. I know that during the Conservative regime from 1957 to 1962 something was done; it was not enough, but something was done for retired civil servants and for Canadian National employees already retired. I also know that the Liberals who were on the opposition side of

the house during those years called for something more to be done for these groups of people.

I say it is not good enough for Canadian National Railways to go on leaving on low pensions its retired employees, particularly those retired a number of years ago, whose pensions were based on wages and salaries of the depression years, or even of later years when wages were not such as they are now. This is not good enough in these days of affluence, these days of better pensions and the concept of retirement which we have at the present time.

These people are terribly in need; they are terribly concerned. They are hopeful. They keep writing letters to the minister, to the Prime Minister and to members in all parties. My files of correspondence from these people are voluminous. They become disappointed by the statements made by the present Minister of Transport. I simply say to him that he should not think this issue is going to die just by his referring it to Donald Gordon and saying the government does not have a direct responsibility. This problem is there as a moral responsibility of the government and this parliament, and I call upon the government to face up to this important issue.

So, Mr. Chairman, I leave these thoughts with the minister this evening. I suggest to him that the time has come to face up to questions affecting the C P.R. and not just to listen to speeches. He must take the necessary steps. The time has come for a clear policy with respect to air navigation in this country. The time has come to pay a little more attention to the needs and rights of the people in the city of Winnipeg. The time has come for a better deal for retired employees of the Canadian National Railways. We want action now.

Mr. Dinsdale: Mr. Chairman, I am sure the minister has come to the conclusion that this house is far from happy with the transportation policy of the government, or the lack of transportation policy of the government, as it exists at the present time. This point has been brought home repeatedly by various spokesmen in the house and therefore, as was the case with the hon. member for Winnipeg North Centre, it is not necessary to belabour it at this time.

• (9:00 p.m.)

Not only has there been dissatisfaction expressed from within the house, but I am sure the minister is aware that responsible leaders outside the house have also expressed some concern. The premier of Alberta, the premier of Manitoba, the mayor of the city of Winnipeg, the mayor of that important city of Brandon, have all been in communication with the government outlining in detail the problems of transportatin in western Canada as they see them. This is in respect of all phases of transportation—rail, air, the seaway and even the trucking industry in Canada.

Just before I mention the few points I have in mind, I should like particularly to congratulate the hon. member for Winnipeg South who, in his maiden speech, has spoken most eloquently for the province of Manitoba and our peculiar problems in relation to transportation.

I should like to make a few suggestions to the minister as he deals, from day to day, with the problems that have come about as a result of the present attitude of the Canadian Pacific in respect of its transportation responsibilities in this country. It seems to me that during the past few years hon. members of the house have been fighting a rearguard action. I know the difficulty arises because the government has failed to act on the MacPherson report with proper expedition. As a result, the Canadian Pacific has been taking advantage of the delay and, by a slow process of attrition, has been eliminating transportation facilities in western Canada. This is the part of the country with which I am familiar. By the time we get around to discussing the MacPherson report, there will not be anything left to discuss.

Mr. Pickersgill: I should like to ask the hon. gentleman one question. How does he think that the implementation of the MacPherson report would have altered the situation with regard to passenger service?

Mr. Dinsdale: I am not dealing with passenger service at the moment. I was merely pointing out the fact that we in this house are fighting a rearguard action because of the delay in bringing before the house the recommendations of the MacPherson report, which would make possible a comprehensive discussion of transportation generally in the country. We have come at it by bits and pieces. We have to make use of the opportunities provided by the consideration of the minister's estimates, for example.

Now that the question has been raised by the minister with reference to passenger service, perhaps I can be specific in this regard. I have come to the conclusion, as a result of

correspondence with officials of the Canadian Pacific over the past several years during which this process of attrition has been taking place, that not only does the company want to go out of the passenger business but it wants to go out of the transportation business completely in favour of the other ancillary activities that have developed around its numerous land holdings to which reference has been made from time to time.

I reiterate the same points that have been mentioned by other members. The service has become so restricted that it discourages the use of passenger facilities. For example, the "Dominion" was whittled down last fall to the point where it resembled a comic situation, like the Toonerville Trolley, with one diesel, one baggage car and two passenger cars. If you were going to make use of that transportation facility, you had to have the pioneering qualities of the early explorers of Canada.

Then, too, the Canadian Pacific has been closely the privately owned restaurants along the main line within recent years. They have been closing stations; they have been removing agents and they have been removing caretakers. As I say to the minister, if we do not get busy with the MacPherson report and its implications to this basic industry of transportation in Canada, we will not have anything left to discuss.

Mr. Pickersgill: I wonder if I can ask the hon. gentleman, who has been talking about the closing of these station restaurants, if he can tell me what has happened to those historic ham sandwiches that used to be in there?

Mr. Dinsdale: So far as I know, from my experience, the only thing that has happened to the famous Canadian Pacific ham sandwich is that the price has gone up so rapidly it is now prohibitive. I suppose it is part of the general inflationary trend under the present administration.

There is a point that I am sure the minister has not presented to the officials of the Canadian Pacific in his discussions with them on these matters. I should like to refer to a speech made by the president of the Canadian Pacific, Mr. Emerson, to the Canadian Club in Montreal a year ago. It is a very good speech and I hope the minister has read it. He points out that notwithstanding the attrition of Canadian Pacific transportation facilities, the largest earnings of that corporation come from their rail operation. I thought money was being lost on their transportation operation and this was the reason for the process of attrition.

Here is what Mr. Emerson himself said in his speech just a year ago:

> Curiously it is often a source of surprise—

As it was a surprise to me.

> —even amongst well informed people, to discover that the railway does not operate at a loss and, indeed, that it is the largest single source of net income to the company. In only one year in the history of Canadian Pacific was a loss on railway operations sustained.

Then, there is further information in that paragraph and he goes on, at the beginning of the next paragraph, to say:

> Indeed, for the year just ended—

That was 1964.

> —Canadian Pacific will report the highest level of railway revenues for any year in its history.

Notwithstanding that statement by the president, we are faced with this problem where at a time when the economy of western Canada is moving forward by leaps and bounds, when potash has become as important as wheat in sustaining our economy, when oil has produced a buoyant economic condition, we find we do not have the transportation facilities that were operating in the west even during the dark days of the depression. I feel perhaps that is an argument the minister could use with the officials of Canadian Pacific when he is carrying on the current negotiations. I hope that some sort of pause can be made in the process of eliminating one station after another. I know that during the past few years in my constituency periodically we have to get together with the local officials of the Chambers of Commerce and the local councils to meet with officials of the Canadian Pacific in an effort to try to stem the tide of this gradual deterioration in our transportation facilities.

• (9:10 p.m.)

I hope the minister will consider these suggestions, at this critical juncture and feel that there should be some pause. I know it is impossible for local councillors to meet the statistical onslaught of the officials of the railway who come with well prepared briefs, statisticians and economists, and present a series of selected statistics to demonstrate that the railway is operating at a loss. The only way we can arrive at a refutation of an argument of that kind is to recognize that they never include revenues from anything

other than less than carload shipments derived from that particular point.

I would also point out that in the city of Brandon, as at other major points, there are tax exempt lands owned by the C.P.R. with assessments of up to $1 million which would realize an additional tax income of $67,000 per year were they not subject to special concessions among the many privileges given to the C.P.R. for the operation of an efficient transportation facility in Canada.

There is one other point, and this is where trucking comes into the operation. Where stations and trains have been removed it is pointed out that these areas, particularly in southern Manitoba, are now being served by the Canadian Pacific highway transport system. But as soon as the railway goes, as soon as the station goes and as soon as the agent goes, that service is reduced from a daily service to a twice weekly service. It is a gradual process of attrition right across the line, and this because there is no national policy enunciated by the government which deals with the basic industry of transportation.

There are two other matters to which I should like to refer briefly and draw the minister's attention. They concern the port of Churchill and the Churchill railway. I hope that as the minister wrestles from day to day with the transportation problems which are created, as he indicates, by the tremendous upsurge in the economy, with the railways being called upon to bear burdens which were never anticipated, he will remember that the Churchill railway and the port of Churchill stand ready to serve the government, the minister, and the people of Canada at any time. Its facilities are far from being taxed to the limit, as he well knows.

I hope he will send a representative to the annual meeting of the Churchill supporters and promoters which will take place at Melville on March 21, I believe. Year after year the Hudson Bay Railway Association members come together and pass resolutions which seem to fall on the deaf ears of the responsible authorities in this parliament. I would just remind the minister, for example, that with reference to the cost of wheat—I am sure he is familiar with these figures—shipping through Port Churchill means a saving of 10 cents a bushel over Lakehead direct sales, 12 cents per bushel over Montreal and, with apologies to my maritime friends, 21 cents per bushel over the maritime price.

[Mr. Dinsdale.]

Such costs are all-important in transportation. I do not believe for a moment that the role and the responsibilities of the railways in Canada have diminished one iota. People talk of highways taking over, or trucks taking over, or buses taking over, or planes taking over. But with a booming economy, with congestion on our highways and with burgeoning and booming cities we are going to have to fall back on our railway transportation system if Canada is to continue to progress in the future.

Let me just quote on example in this regard which I bring to the attention of the minister because I know he is not an enthusiastic supporter of the Pine Point railway development. He, along with his colleagues of the day, discouraged the construction of the Pine Point railway into the Northwest Territories as being an unnecessary transportation development. I refer the Minister of Transport to my very good friend the Minister of Northern Affairs and National Resources, who is in the house at the moment, because whenever I have heard the Minister of Northern Affairs and National Resources discourse on the Pine Point railway he becomes ecstatic, almost as enthusiastic as were the members of the former Conservative administration when they started the construction of the Pine Point railway.

He can give the minister statistics about this development as well as I. It has opened up the Peace River country and has resulted in townsite development which will have an impact on the whole Great Slave lake area. I have figures which show that for the first six months operation of 1965 $9.5 million were realized. I was in Japan in 1963 discussing northern minerals with the government there, and it is interesting to note that already they are taking 50,000 tons of ore directly from the Pine Point mine, which ore is being shipped over the Pine Point railway. This is one concrete example of what a forward looking government has accomplished in meeting the challenge of transportation as Canada moves forward to the future. It takes a government with vision, Mr. Chairman, to achieve such accomplishments, and I hope that the minister will be inspired by this also.

There is one direct matter I should like to deal with; others have dealt with air policy but the matter I wish to raise is urgent and I bring it very briefly to his attention. It is with respect to the policy for regional air carriers.

It is an urgent matter because the arrangements that have been made with TransAir to take care of the route that was abandoned by Air Canada when it decided to go out of regional operation and move into a trans-Canada and international role are to expire in mid-April. This matter is giving grave concern to the officials of TransAir as well as the communities served.

I hope the minister will initiate negotiations with this regional air carrier and provide the company with some concrete program or arrangement to make it possible for them to carry on this important service. What they need, of course, is an arrangement similar to that operated by the government of the United States, where direct subsidies are paid to regional carriers in order for them to continue their service on an economic basis.

While Air Canada indicated at the time it withdrew from this service that it was no longer interested in competing in this traffic, it should be brought to their attention that they are playing an unnecessarily competitive role. For instance, just one year ago TransAir reorganized the route from Winnipeg to Prince Albert via Brandon, Regina and Saskatoon. As soon as they improved the efficiency of the service and reorganized it, Air Canada immediately commenced a parallel service. Of course a small regional carrier such as TransAir just cannot compete with a big government sponsored organization like Air Canada.

This is an urgent matter. It is important to general air transportation in the west, and I trust that the minister will give it his immediate attention.

• (9:20 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Chairman, since the beginning of the debate on item 1 of the Department of Transport, it has been easy to see that this item is the worst wasps' nest of the Canadian government as far as strengthening Canadian unity or destroying it are concerned. We have heard speakers who, one after the other, have talked about the branch lines in their constituencies stating that they were insufficient and also mentioning that they lived in Canada and that there should be a railway in their area, in short in all parts of the country. Each of them also spoke of his local problems and this proves that today there is much to be done in the field of transport to connect all parts of the country and satisfy every constituency.

Well, in turn, I would like to call the attention of the Minister of Transport (Mr. Pickersgill) to a few local problems.

First, I would like to speak about the airport at Bagotville which serves the Saguenay, Lake St John, Chicoutimi, Lapointe, Roberval areas. We have, in Bagotville, a very small airport that dates back a great many years and is far from adequate. A few days ago, perhaps five or six, perhaps three or four, a snowstorm swept down on the Quebec, Saguenay, Lake St. John area. At that time, some airplanes had to land at Bagotville, while others could not get off the ground, so that, at a certain time, in the midst of the storm, there were more than 175 people trying to get into the terminal which is not much larger than the Minister of Transport's office. If all the ministers were trying to get in the Minister of Transport's office at the same time, the minister would not have any space for himself. On this occasion, three Viscount aircrafts, with about 60 passengers each, were held up at the Bagotville airport; as a matter of fact, the terminal was so full that there was not enough room and people had to stay outside in the snowstorm.

I must say it is a disgrace for the Canadian government to have such an air terminal in an area that is developing like the Saguenay-Lake St. John area. As I said a while ago, the waiting-room is not larger than the minister's office; there is no restaurant for the people who have to stay there during long hours before boarding another aircraft, whenever the planes cannot take off on account of a snowstorm. There is no restaurant nor any of the facilities that are usually found in air terminals. Therefore, I believe the Minister of Transport should do something, all the more because such an improvement has been requested for at least four years now, in fact since I came to this house. For at least four years, we have been told that something would be done about that terminal.

This airport was promised to us by the former government, and again it is being promised to us by the present one. Six or seven months ago, we were told that an appropriation had been made, that the plans were ready; nevertheless, during the last election the hon. member for Chicoutimi (Mr. Langlois) promised this terminal to us again. I ask the Minister of Transport whether he could give us tonight a clearcut statement indicating when work on this terminal will begin and when we can hope to have it. I

believe the Minister of Transport is in a position to make such a statement right now, tonight, since the matter is urgent, with all the inconvenience we have experienced lately at the Bagotville air terminal. I urge the minister to make a statement on this, in order that the whole population of Saguenay and Lake St. John may know where it stands.

A second problem of local interest relates to the railway connecting Montreal and Quebec City to the Saguenay area and serving the cities of Chicoutimi, Jonquière and Bagotville. Two or three years ago and on several occasions, I asked in the railway committee and in the house, as well as to the Chairman of the C.N.R., Mr. Donald Gordon, that this railway be improved, because it is obsolete today. It is true that at times the train makes 60 miles an hour, but at 20 miles an hour sideways, 20 miles an hour up and down and 20 miles an hour forwards; this means that passengers are thrown sideways, up and down and forward, for a total speed of 60 miles an hour. The speed is greater sideways than forward. The C.N.R. chairman promised to investigate the condition on this railway line. He had even undertaken to make the trip—and some hon. members will remember that in the committee on railways, canals and telegraph lines, the chairman of the C.N.R. had promised to make the trip from Montreal to Jonquière and Chicoutimi, with myself and other members of the area, in order to find out for himself about the standards of the railway between Montreal and the Saguenay-Lake St. John area.

Seven or eight months after the chairman gave this undertaking, about a year ago, I wrote Mr. Gordon again to ask when it would be convenient for him to make the trip in order that the improvements be made. I was told that improvements had been made, that the timetable had been changed to the satisfaction of all concerned. What changes? Stops along the way were eliminated so that, without stops, the train can run more slowly. The bumps are not so noticeable. That was the improvement. Since that time, those who live along the line, who operate hunting or fishing clubs where the train used to stop, every little village where the train no longer stops are complaining. And do you know what the C.N.R. tells them? Do you know what the C.N.R. employees say when people from the ridings of Chicoutimi, Lapointe, Roberval, Lake St. John write to complain about the discontinuance of the stops of the C.N.R. train along this line? They say: The member for Lapointe asked for it.

[Mr. Grégoire.]

If the President of the C.N.R., who eliminated those stops to improve traffic, tries to justify his action by saying that the member for Lapointe asked for it, I say to him that never in my life did I ask that those stops be eliminated.

• (9:30 p.m.)

I wonder whether the minister asked for that. I certainly did not.

Why are some people defending themselves by putting the responsibility on the member for Lapointe as far as the decisions taken by the officials are concerned, when he said decisions are far from adequate?

Who ever heard of improving a line by eliminating stops in order to have the train go slower, so that passengers will not feel the bumps?

Mr. Chairman, I ask the Minister of Transport whether this is progress under the present government? This means: Slow down and you will not feel the bumps in the middle of the road so much. If there are complaints, blame the opposition members. What we are asking for is the improvement of the track and not the elimination of stops.

I take this opportunity to ask the Minister of Transport to insist that the improvement to be done does not consist only in having the trains go slower. This is not an improvement. You must start perhaps by making the wheels round and repairing the tracks so as to allow the train to go at high speed. At this time, the trip between Montreal and Chicoutimi is nonsensical and I believe it should be improved.

Another point of local interest: I think it would be time in 1966 to ask the Minister of Transport to put an icebreaker on the Saguenay to allow winter navigation on that river. That would be to the greatest advantage of industry and trade in the Saguenay-Lake St. John region. There are, for instance, great industries such as the aluminum company, 85 to 90 per cent of its production is exported, mostly by sea, that is by the Saguenay river. In winter, that shipping route is blocked and it is necessary to use storage facilities or other routes. This increases costs and our aluminum industry is no longer able to meet the prices asked by industries in other countries.

Winter shipping on the Saguenay would not cost that much. It would benefit designated areas such as the Saguenay-Lake St. John area. An icebreaker would be needed in the winter to keep the channel open the year round on the Saguenay river. That would

greatly help the development of industry in our region, not only that of aluminum but of newsprint also. The Saguenay-Lake St. John region can claim that it supplies a great part of the newsprint going to New York and other eastern U.S. cities. The Saguenay-Lake St. John area supplies the newsprint for the New York and the eastern U.S. newspapers. We are proud of it but if we had shipping, even during the winter, on the Saguenay, we could produce even more newsprint and supply a larger quantity to the eastern United States.

It would be beneficial not only to the area but to the whole country. Our trade balance shows a deficit. If we increased our exports of aluminum and paper, then our trade balance would be reduced, the deficit would be cut and this would benefit the whole country.

Mr. Chairman, I cannot insist too much on the necessity and the possibility of having year round shipping on the Saguenay. It is one of the most beautiful rivers in Canada. If you want to see for yourself, I urge all members of the house to take a cruise on the Saguenay—

Mr. Langlois (Chicoutimi): There are no more cruises.

Mr. Grégoire: You will see that this is one of the most beautiful waterways. The member for Chicoutimi says that this service has been discontinued. It is true and again it is nonsense that Canada Steamship Lines should discontinue it. However, the member for Chicoutimi was the first, with a delegation of citizens of his riding, and of the Charlevoix riding, to go and meet the Minister of Transport in order to exert pressures for a continuation of this service, at least until after 1967, the year of the World Fair.

Come and see the Saguenay. Arriving at Chicoutimi, you will see one of the best yacht clubs in the world, which, last year I believe, was awarded first prize in Canada.

The river should be open the year round. It is possible. All you need is an ice-breaker. The Minister of Transport could provide one extra icebreaker. It could be built at Lauzon shipyards. This would provide employment for the working class in the area of Lauzon, it would mean jobs for longshoremen of the Bagotville-Port Alfred area, jobs for forest workers in the Saguenay-Lake St. John area, cutting lumber so as to make paper to be shipped to New York over the winter. It would boost the economy of the whole region. In the economic system, every link is important: one ice-breaker would help improve the economy of our region.

I shall further ask the Minister of Transport to make a statement in the course of the present debate on item No. 1 of his estimates. I should like him to promise us that, beginning next year, the Saguenay river will be open to navigation all year round, winter and summer alike.

Mr. Chairman, I should like to draw the minister's attention to another problem, for I see that the members who represent the city of Quebec today do not seem to be particularly concerned with it. There are three in this house, including the former Parliamentary Secretary to the Minister of Transport; they sit on the government side, but not one of them has spoken. As Quebec city is so poorly represented in parliament since the last election and there is no one to take care of its interests, it is my duty to do so in the name of the city of Quebec.

On entering the city, you notice railroad tracks right through it, namely in lower town, across main streets such as Dorchester, De la Couronne, Marie de l'Incarnation, Marguerite Bourgeoys. There are no overpasses. At rush hours, whether in the morning or in the evening, the trains, whether passenger, express or freight, run slowly through Quebec City, and for five or ten minutes they delay the traffic in both directions. This means that hundreds and even thousands of automobiles can be delayed for fifteen minutes every morning and every evening.

How is it that, in 1966, in times of progress such as we know, in the heart of Quebec City, the first city founded in Canada, one can see in business areas, on business streets, at the rush hour, railroad crossings slowing down traffic beyond anything imaginable?

It would be high time, Mr. Chairman, for the board of transport commissioners, which has a special budget for the construction of overpasses, to plan the removal of level crossings in Quebec City, since this is unjustifiable in 1966.

Three years ago I quoted figures which I do not have on hand but which can easily be checked in *Hansard*. Scarcely 5 per cent of the amount allotted for the construction of overpasses by the board of transport commissioners had then been spent in Quebec, while Ontario received almost 70 per cent of the total budget.

The board of transport commissioners should undertake to give a share to Quebec City to provide it with overpasses where trains cross the busiest streets.

I know that the subject has been under consideration for a long time. I know that the Minister of Transport is aware of this problem. I know that some officials of his department have been investigating for many years in this field. Such an investigation has been requested for 25 or 30 years. But is it not the opinion of the Minister of Transport that the time has come to end all these investigations and to build the necessary overpass in the city of Quebec?

Then, I shall ask the Minister of Transport—I know that he is aware of this problem—to make a statement in this connection, so that the citizens of Quebec may know where they stand with regard to level crossings in the city of Quebec.

• (9:40 p.m.)

Another thing, Mr. Chairman. The St. Lawrence should be open to winter navigation up to Montreal. I know this is becoming a ticklish matter for the people of the Maritimes. Far be it from me to favour the economy of port cities along the St. Lawrence at the expense of the Maritime provinces. But progress requires that navigation be open to Montreal the year round. It is possible and easily feasible.

Should needs arise in the Maritime provinces, we will then be the first to cooperate and urge the government to take whatever steps are necessary to develop the economy of the Maritime provinces as much and as quickly as the economy of the other provinces of Canada. On condition, however, that it does not prove detrimental to the other areas, but helps the other areas while helping the Maritimes also.

There is one last point I should like to raise tonight, Mr. Chairman. It is not so much a local or a regional problem as a national problem.

The question of bilingualism within the two most important transport companies in Canada, both crown companies, namely the Canadian National and Air Canada has been very much discussed and still is.

Mr. Chairman, I have often talked about that matter in this house. I have had the opportunity to discuss it sometimes rather firmly with the president of the Canadian National Railways and the president of Air Canada.

[Mr. Grégoire.]

I must say that tremendous improvements have been made in the last three or four years, since we started to fight for bilingualism with the Crown corporations. I believe these two Crown corporations ought to be commended up to a point for such an improvement.

But, Mr. Chairman, I must say to the Minister of Transport that this improvement in only superficial yet and that it has not reached as yet any depth. It is only what appears in the open that has been favoured with bilingualism. Of course we have now bilingual picture posters, bilingual air hostesses, and on the trains, in the majority of cases, not on all trains, but in the majority of cases, the train conductors or inspectors have become bilingual. On the other hand, bilingualism has not reached any depth, yet, far from it.

People who wish to communicate with the offices of those companies have to write in English, otherwise their answers come only five or six weeks later on account of the delay resulting from the translation of such letters. The translation officers are not efficient enough to permit people communicating with them to receive answers within a normal period of time.

Whenever people are asking for forms to fill in, everything comes in English. I can give you an example, Mr. Chairman, which is quite recent and which I would like to bring to the attention of the Minister of Transport. Yesterday, or rather this morning, while arriving at the Ottawa airport, I found that I had lost my suitcase. No more luggage on arrival at Ottawa airport, no razor, no pyjamas, nothing at all, my bag having gone to Toronto; it was still travelling, it had remained on the plane while I was stepping off.

I went and asked that my bag be retrieved because I needed my luggage. I was asked to fill out a form, written in English only. In the Ottawa Airport, the clerk behind the counter did not understand a single word in French.

At one time there was a telephone call during which not a single word was said in French. I mean that the same clerk behind the counter was advised by phone that a plane had been diverted from its regular course and would land in Ottawa. The first thing he asks is: I hope that everyone understands English, because I do not speak or understand French.

He asked me to fill out the card in English. If the minister so wishes I can give him my copy now because I received my

luggage this afternoon; and I thank Air Canada for its dispatch in this case. As for the form, the minister will understand that it was in English only—this could have happened to someone who might not have been as lucky.

But how often does one receive such forms written in English only, on trains on the Saguenay-Lake St. John line, up to Montreal or Quebec, in the Lower St. Lawrence region or elsewhere.

I agree, Mr. Chairman, that during the last three years, considerable effort has been made by those two large companies and I am disposed to give them the credit they deserve, but we must keep on asking so that the situation improve even more and that at least the crown corporations advocate integral and true bilingualism as it must exist in a country like Canada, which is officially bilingual.

If all civil servants within the Department of Transport and crown corporations, like Air Canada and the C.N.R., were as good in the two official languages as the Minister of Transport, then I would say, Mr. Chairman, that the Department of Transport and the Crown corporations have reached an acceptable degree of bilingualism.

I know that the Minister of Transport is one of the good bilingual members we have in this house. To prove this, I had the opportunity not very long ago to introduce to him two of my constituents. After their visit to the office of the Minister of Transport, they could not help mentioning that they had found him most pleasant and nice and that they had admired his fluent French.

Some hon. Members: Hear, hear.

Mr. Grégoire: It is precisely this quality in the Minister of Transport that we should like to find at every level of the Department of Transport and the crown corporations coming under that department. It is this bilingualism which exists in the office of the minister and which he practices himself that we should like to find in every branch of the department.

I hope that the minister who understands the problem thoroughly will see to it that everything in his department, and especially in the Crown corporations, Air Canada and the C.N.R. is bilingual, not only on the surface but in depth and particularly within these two corporations because these are two transport companies stretching from coast to coast, where English and French speaking Canadians meet. Citizens use transport companies from one end of the country to the other.

Well, Mr. Chairman, if we want Canadians to feel at home everywhere, these two companies must illustrate Aristotle's definition of "country". Aristotle said: Your country is where you feel at home.

If Canada is to be a country from coast to coast, you must feel at home from coast to coast from one ocean to another. That is why at least the transport companies which come directly under the Crown should be bilingual not only on the surface but also at all administrative levels.

Mr. Chairman, those are the few remarks which I wanted to make about the Department of Transport. I hope that the minister can assure us that the construction of the Bagotville air station will begin as soon as possible. I am making this request on behalf of the four ridings of the Saguenay-Lake St. John area.

Mr. Langlois (Chicoutimi): Thank you.

Mr. Grégoire: I think the hon. member for Chicoutimi will support the request I am now making on behalf of the four constituencies of the area I have mentioned.

I would also ask the Minister of Transport to make a statement on winter navigation on the Saguenay, on the improvements to the C.N.R. track between Montreal and the Saguenay-Lake St. John area and Chicoutimi. I know that the Minister of Transport is aware of these problems and that he will tell us shortly, or, better still, tonight what action he intends to take and when he intends to take it.

[*English*]

• (9:50 p.m.)

Mr. Forrestall: Mr. Chairman, I trust members of the committee will extend to me the usual indulgence that they do to new members as they rise to lose their maidenhood. First of all, Mr. Chairman, through you I wish to extend my congratulations to Mr. Speaker on his appointment, and to express the deep respect I have come to have for that office and for the manner in which he has discharged his responsibilities. I also wish to extend to you similar congratulations and expressions of respect for the manner in which you have fulfilled that office during his absence from the chair.

Before going on to make one or two brief remarks on transportation matters I think I would be remiss, particularly as a young man, if I rose in this chamber as the last new member who will ever rise to speak for the dual constituency of Halifax, and did not pay some tribute to the great men who have come out of the city of Halifax and its environs to serve in the House of Commons.

I think of men such as Sir John Thompson, Sir Robert Borden, Sir Charles Tupper and a long list of others including Mr. Jones, Mr. Powers, Mr. Almon, Mr. Daly, Mr. Richey, Mr. Black and, in later years, Senator Isnor. I will not mention the more recent members who have come to this house.

Mr. Pickersgill: Don't forget Mr. Lloyd and Mr. Regan.

Mr. Knowles: You should mention Mr. Lloyd; he has gone to his reward.

Mr. Forrestall: They have all received their rewards, generally speaking.

The remarks I wish to make tonight are chiefly directed toward the generality of the position that has been adopted by the Minister of Transport, in answer to certain remarks that have been made in this house in the very brief time I have been here in respect of winter navigation on the St. Lawrence river. I am sure there is nothing I can say to impress upon the minister the urgency with which this matter is viewed in the city of Halifax and the port of Saint John and elsewhere in the maritimes. Perhaps he might remind some of the members of this house, in light of their remarks that, contrary to what they suggest the instruments of subsidy—and I think the Maritime Freight Rates Act,—were not designed to impede any industrial progress anywhere in Canada. Quite to the contrary, they were designed to implement, foster and encourage the development of eastern Canada. But like everything else there is a habit on the part of some to stop in a consideration of Canada when you get to the province of Quebec. Canada does go a little further, just as it did some 250 years ago when transportation was a real problem in Canada.

When the hon. member for Lapointe speaks of keeping the St. Lawrence river open, perhaps the minister will remind him that for over 250 years great numbers of people, industries and dollars, as well as great quantities of sweat and tears went into maintaining a year round deep water port to service this nation. Although we are generally quiet people, not looking about to pick fights with anyone, people who have made a great contribution to the development of Canada in all its fields, when there is an impairment or the possibility of an impairment of the future development and use of the ports of Halifax and Saint John we do not intend to take this lying down. I suggest very strongly that there will be vigorous opposition.

If at some point in the future it is in the best interest of Canada to have year round navigation, that will not be accomplished except by adequate incentives for the development of the Atlantic provinces, to bring about and sustain not only the present level of activity, but to help vastly to increase that level of activity We have never stood in the way of national development and we do not intend to do so now.

Mr. Grégoire: Mr. Chairman, if the hon. member will allow me to speak I should like to say that I think he has misunderstood me. What I said is exactly the same as what the hon. member has just now said. If winter navigation is opened on a year round basis there must be some incentives given to the port authorities in Halifax so that this area will not be disturbed. That is exactly what I said, and I want it clearly understood that I am not engaging in any quarrel with my hon. friend. I think both our areas can be developed to a greater extent than they are being developed today.

Mr. Forrestall: I did not misunderstand the hon. member when he spoke. He did make some reference earlier in this debate on the estimates of the Department of Transport to the effect that rail subsidies were detrimental to another industry in Canada. I can only read into that suggestion an area of danger and concern to the life and livelihood of some 17,000 people who are vitally and intimately connected with the port of Halifax. Surely my hon. friend and I will not get into a fight in this regard The fight will only begin if the government pays too much attention to what is said by too many people at the so called river ports.

Before Nova Scotia, particularly Halifax, and the rest of the maritimes can begin to approach a level of parity with the rest of Canada, we must consider the rate of development there. The port of Halifax has a good future, but in the long range picture we are not concerned with the ultimate opening of the river. Unless the government does something in the very near future, and I speak in

terms of the next few years, to encourage the industrial growth and development in the Atlantic provinces there will always be people like myself to rise in opposition to anything that will impair year round traffic in and out of the port of Halifax.

Mr. Chairman, may I call it ten o'clock?

Mr. Pickersgill: Mr. Chairman, before you leave the chair I wonder whether there is any hope of having a kind of self-denying ordinance tomorrow, just considering those matters that affect the estimates for the year to March 31, and saving the more general things for my next run, which is getting closer every day? If this is possible it could commence following the completion of the remarks of the hon. member for Halifax.

Mr. Churchill: Mr. Chairman, may I ask the minister whether he will set the example of a self-denying ordinance?

Mr. Pickersgill: I have done my best.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

EXPO '67—MONTREAL—POSSIBLE STRIKE OF CONSTRUCTION WORKERS

Mr. Warren Allmand (Notre-Dame-de Grâce): It was reported last Thursday that labour negotiations between the construction trades and contractors for the district of Montreal had broken down and that a strike was possible by April 10. It was also reported that this strike could extend to the workers on the site of Expo '67. In answer to a question it is reported that Mr. Pedette, a union representative stated:

• (10:00 p.m.)

[*Translation*]

We shall do everything to prevent the strike from spreading at Expo, replied Mr. Pedette, but nothing stops us from believing that union workers at Expo will not decide by themselves to follow suit.

[*English*]

Mr. Speaker, in view of the fact that the Canadian government has already invested millions of dollars in Expo, and in view of the fact that more than 70 countries have already committed themselves to participation, would the minister responsible for Expo or his parliamentary secretary kindly inform us of the following:

1. Is there in fact a special strike truce agreement for Expo?

2. If so, what are the provisions to guarantee this strike truce?

3. If the agreement is broken, are there any sanctions which could be applied to the offending parties?

Due to the fact that Expo is scheduled to open in little more than one year, I consider this situation to be extremely urgent and critical. If a strike was to delay Expo in any way, Canada would be left with a serious black mark against her in the world community.

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): Mr. Speaker, perusal of *Le Devoir* will reveal another instance of a heading inconsistent with the small print under it. The title is gainsaid by the article.

Expo is the business of every Canadian, of all classes of society. With the Expo officials, we have every reason to believe that Montreal workers will live up to the agreement entered into by the inter-union committee to ensure the success of Expo '67, because such agreements exist and we have no reason to believe it will be otherwise.

[*English*]

PENSIONS—INQUIRY AS TO LEGISLATION REGULATING PRIVATE PLANS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on the orders of the day this afternoon I asked the Minister of Finance (Mr. Sharp) a question with reference to the federal government's proposed legislation which would regulate private pension plans that come under federal jurisdiction. Specifically I reminded the Minister of Finance of a statement made in the Ontario legislature by Mr. Wishart, which I suggested could be the source of some confusion, and I expressed the hope that in view of this confusion the federal government would reconsider the whole matter with a view to bringing in its legislation at the earliest possible date.

May I take just a moment to indicate what I mean when I say that Mr. Wishart's statement may have created some confusion. In this house on January 25 the Minister of Finance, answering questions of earlier days,

made a short statement which concluded with this sentence:

I am advised, Mr. Speaker, that provincial legislation will not apply to these companies.

The reference was to Canadian Pacific and Canadian National pension plans. The very next day, January 26, in the Ontario legislature Mr. Wishart, the Attorney General of the Province of Ontario, answering a question put to him by Mr. Donald MacDonald in that house gave a legal opinion to the effect that in part at least the provincial legislation would apply to Canadian National and Canadian Pacific employees residing in the province of Ontario. Mr. Speaker, there is confusion right there; the federal Minister of Finance saying that the provincial legislation does not apply and the provincial Attorney General saying that the provincial legislation does apply at least in part, and they were talking about the same companies.

What we are talking about in the over-all picture is the need for legislation regulating private pension plans. When we talk about regulating them we have in mind the necessity to guarantee portability and we also have in mind regulations respecting both the vesting and the investing of funds and the conditions that pension plans operated by private employers should observe.

Now, a number of provinces have such legislation governing pension plans coming under provincial jurisdiction. As yet, there is no such legislation in the federal field. In other words, companies like the Canadian Pacific Railway, Canadian National Railways, banks and others that are under federal labour jurisdiction are a law unto themselves so far as their pension plans are concerned.

There was a day when there were certain rules and regulations under the Income Tax Act which had some controlling effect. However, some of our constitutional people decided that this was ultra vires of the power of the federal parliament, and even those provisions were wiped out. At the moment, therefore, there are no regulations governing private pension plans that come under federal jurisdiction. This is obviously unfair to the persons who are members of those plans.

The most glaring example of this unfairness is, of course, what has happened in recent weeks or recent months with respect to the Canadian Pacific pension plan. Here is a plan which is operated by the Canadian Pacific Railway. True, there is a seven man board on which there are three representatives of the employees. Of course one can see

[Mr. Knowles.]

that these employee representatives are outnumbered. In actual practice, when the Canadian Pacific wants to alter its pension plan, it does so unilaterally. It has done so in the last few weeks. It has put out a document called "Plain Talk" which the company has distributed to its employees, simply telling the employees that as of January 1, 1966, the plan is changed.

Now, some of the details of these changes, we think, are regressive, very reactionary. For example, the compulsory nature of the plan has been eliminated. It is no longer a condition of employment and employees from here on are given the right to opt out of their company's pension plan. They are even encouraged to opt out, no matter what it may do to their future security.

Of course, in doing so they are called upon to sign a statement which would surrender many of the rights that normally go with pension plans. It is also a condition that if an employee who is now in the Canadian Pacific plan opts out or any new employee joining the plan does not opt in, he can never get back in or get in, as the case may be. In the light of today's thinking, we believe that this sort of thing is wholly irregular. I am not going into the whole question of the conciliation that is being sought by employees with regard to the matter. The point is that this unilateral action is possible in Canada because there are no laws, no regulations governing private pension plans that come under federal jurisdiction.

My colleague the hon. member for Winnipeg North (Mr. Orlikow) followed my question this afternoon with a supplementary question. I see he is also on the late show, so there will be a detail or two that he will raise later. My whole point, and I press this on the government, is that this matter is urgent. Every Canadian Pacific employee in the country knows it, the employees of other companies under federal jurisdiction also know it, and I think it is not good enough for the government to keep putting it off. I have a list of dates on a page of foolscap indicating the number of times that this legislation has been promised by the government. It was the former Minister of Finance who first offered it in December, 1964. I see you are on your feet, Mr. Speaker, so I cannot give my list. However, it has been offered and promised so often that time must not be allowed to slip by any further before action is taken on this important issue.

[*Translation*]

Mr. Jean Chrétien (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I congratulate the member for the persistance he shows with regard to a problem I consider, as he does, very important.

However, the member should know, and I am convinced he does, that this particular problem requires special legislation from the government and that, due to circumstances since last June, Parliament has not dealt with new measures; however, it plans to do so with respect to that problem, as soon as possible, taking the usual priorities into consideration.

The member mentioned the legal problem this question involves. Of course, the government will have to act with discretion in view of the division of powers in Canada; this delicate problem will demand that the government move with great care, and legislate so as not to act illegally.

However, I can assure the hon. member that the matter is being studied and that legislation dealing with this problem will be presented to the house as soon as possible.

• (10:10 p.m.)

[*English*]

PENSIONS—EQUITY OF RAILWAY EMPLOYEES PENSION FUND IN PROVINCES OTHER THAN ONTARIO

Mr. David Orlikow (Winnipeg North): Mr. Speaker, this afternoon I asked a question of the Minister of Finance which was supplementary to a question asked by the hon. member for Winnipeg North Centre. The point which I raised was the conflict which appeared between the legal opinion expressed by the Minister of Finance hereon an earlier occasion and the legal opinion expressed by the Attorney General of Ontario.

As members know I am sure, the province of Ontario and the province of Quebec have passed legislation establishing standards for private pension plans which are put into effect by companies operating in those provinces on behalf of their employees. The Attorney General of Ontario, Mr. Wishart, in answer to a question in the Ontario Legislature made a statement, part of which I shall quote. This is his statement, Mr. Speaker, on January 26, 1966:

> If the Parliament of Canada legislates upon the subject of pensions for employees of chartered banks, railways, and works for the general advantage of Canada, such legislation would be a valid exercise of the powers of Parliament; and if in fact the legislation covered the same area as the provincial statutes, the last mentioned statute would not apply—

A little later in the debate in the legislature he said:

> It was our opinion that the provincial legislation applied, and we are still of that opinion.

He followed that with this statement:

> Now it is quite clear that if the government of Canada moves into the pension field, that legislation would supersede and make invalid any provincial legislation bearing on the same area.

What is the provincial legislation, Mr. Speaker? The provincial legislation sets out that an employee working for an employer in Ontario—the same provisions apply in Quebec—and having worked for an employer for ten years and reached the age of, I think, 50 or 45 has his pension rights vested. The C.P.R. pension plan, to take one example, provides that an employee must have worked 25 years and must be 50 years old before he has any pension rights. What this means, therefore is that an employee working for the C.P.R. in Ontario will have rights which a worker working for the C.P.R. in other provinces will not have. Surely this is a ridiculous situation. There is another important and very disturbing aspect, Mr. Speaker, and it is this. I presume that the C.P.R. pension plan as it is now constituted has been worked out on the basis of actuarial estimates. If a person in the province of Ontario or in the Province of Quebec has his pension rights vested as a result of provincial legislation, as that vesting takes place the whole actuarial basis of the C.P.R. pension plan will be thus affected and will become completely meaningless. Workers of the C.P.R. in other provinces could find themselves at some future date not able to get their pension because the plan does not have the money to pay them.

This is an extremely important matter, Mr. Speaker. I am not at all impressed by the argument of the Parliamentary Secretary that we just have not had the time to deal with it. After all, who called the election? Who took months off to conduct an election campaign? The government. It seems to me that the government ought to proceed immediately to protect the rights of employees in banks, in insurance companies, in railways and air lines, who come under federal jurisdiction. They ought not to have their rights to pensions interfered with by the fact that this government has failed to act in this very important matter.

There is another matter, Mr. Speaker, which needs to be covered by federal legislation. Employees need legislation which will

protect them from rapacious employers in the matter of their pension rights. The Canadian Pacific pension fund has been used in a disgraceful manner by officials of that company. Funds in the Canadian Pacific pension plan, or shares which the pension plan had invested in, were sold by officers of the pension plan, who are officers of the company, to Canadian Pacific investors at a rate much lower than they could have been sold to other interests. It has been established in press articles that the pension fund suffered a loss of $400,000. That is money which was taken illegally, I suggest, by the officials of the Canadian Pacific.

We need legislation, Mr. Speaker, which would establish arms length decisions. We need legislation which would establish that there should be no conflict of interest, and we call on the federal government not just to delay this matter and not, just to say that they know it is important, and that they will get around to it. Mr. Speaker, the length of things which this government at some time hopes to get around to, if put end to end, would circle the world. We want action now, and not next year or in ten years from now.

[*Translation*]

Mr. Jean Chrétien (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I thank the hon. member for his clearcut statement on this problem. This interesting observations have been noted, of course, and will be passed on to the minister.

However, I want to point out to him that we are also interested in protecting the rights of the workers faced with this problem, but in view of the jurisdictional problems involved, we must be very careful. I can assure him, as I said earlier, that steps will be taken as soon as possible to solve this problem.

[*English*]

Motion agreed to and the house adjourned at 10.20 p.m.

HOUSE OF COMMONS

Tuesday, February 15, 1966

The house met at 2.30 p.m.

ELECTORAL BOUNDARIES READJUSTMENT ACT

OBJECTIONS RESPECTING PROPOSED DISTRICTS IN ONTARIO, QUEBEC AND SASKATCHEWAN

Mr. Speaker: It is my duty to inform the house that four objections signed by the hon. member for Grey-Bruce and 17 other hon. members in one case; by the hon. member for Saguenay and 10 other hon. members in the second case; by the hon. member for Cochrane and 10 other members in the third case, and finally by the hon. member for Moose Jaw-Lake Centre and 10 other members, have been filed with me pursuant to section 20 of the Electoral Boundaries Readjustment Act for the provinces of Ontario, Quebec, Ontario and Saskatchewan respectively.

These will be printed as appendices to *Votes and Proceedings* for this day. Is it agreed?

Some hon. Members: Agreed.

PRIVILEGE

MR. BENSON—CORRECTION OF FRENCH TRANSLATION OF ESTIMATES BOOK

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, on a question of privilege, the French translation of the estimates blue book I tabled yesterday is not an accurate reflection of the English version.

Vote 30 on pages 430 and 439 should be deleted, the total to be voted on page 431 should be changed to $17,524,100 from $27,524,100 and the total for the summary on page 431 should be changed to $45,761,100 from $55,761,100. The increases in the summary on this page should be changed to $8,898,200 and $9,388,200 respectively.

The totals on the departmental summary on pages 4 and 5 and on the summary by standard objects in the back of the blue book are correct as tabled.

We have no intention, Mr. Speaker, of spending more money in one language than the other.

CANADIAN FLAG

TABLING OF BOOKLET RESPECTING NATIONAL FLAG

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to table a booklet on the national flag of Canada, which was officially flown for the first time a year ago today after it had been approved by parliament and proclaimed by Her Majesty the Queen.

To mark the first anniversary of this historic occasion this booklet is today also being made available to the public through the Queen's Printer, and to members of parliament in the usual way. The booklet records some of the highlights of the ceremony a year ago and sets out some general rules and principles for flying and displaying with dignity and respect our national flag. These rules and principles are an adaptation of international usage and the practice which has been followed by the federal government over many years.

There has been widespread interest shown in information about the way to fly flags and many requests for advice have been received. I hope this booklet will meet these requests.

• (2:40 p.m.)

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, because a year ago today the Canadian flag was officially recognized, I should like to take this opportunity to say that it has, in the last year, greatly contributed to Canadian unity, that the flag has been accepted by all Canadian citizens, that to see it floating over Canadian buildings is a beautiful sight, and that this augurs well for the future of Canada.

[*English*]

POWER

NELSON RIVER—ANNOUNCEMENT OF FEDERAL PARTICIPATION IN DEVELOPMENT

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I wish to announce that the federal government has agreed in principle to participate with the government of Manitoba in commencing the development of the vast resources of hydro power of the lower Nelson river in northern Manitoba. The initial phase

will include the construction of a power site at Kettle rapids and the installation of 855,000 kilowatts of generating capacity; the diversion of part of the flow of the Churchill river into the Nelson river system near Thompson, Manitoba; works at the outlet of lake Winnipeg to control the level of that lake and the outflow from it, and long high voltage transmission lines from the Kettle rapids site southwest to the neighbourhood of Winnipeg. The total cost of this minimum initial development of the power in the lower Nelson will exceed $300 million.

The federal government will construct, finance and own the high voltage transmission lines required to move the Nelson river power to Winnipeg and, when markets are developed, to the international and interprovincial boundaries. The cost of the high voltage transmission lines presently planned from Kettle to Winnipeg and the ancillary equipment has been estimated at about $120 million. The line will be leased to the Manitoba Hydro at rates per year and per kilowatt hour of energy transmitted which will suffice over a period of approximately 50 years to repay with interest the investment made in the line.

The federal government's participation will insure that this power site of such great importance does not remain undeveloped only because it is located in a province in which the market for power is still too limited for the province alone to bear the full burden of financing its development. The potential benefits to Canada include a reasonable possibility of the export of power to the midwestern United States and the possible sale of low cost power to Saskatchewan and Ontario through interconnections between the utilities of the three provinces. Although the Nelson development can only be achieved in successive steps, the ultimate development will be of the magnitude of five million kilowatts.

The government of Manitoba and of Canada will proceed as soon as possible to negotiate the necessary formal agreement, following which the federal government will seek the approval of parliament for it. My colleague the Minister of Mines and Technical Surveys (Mr. Pepin), minister designate of the new department of energy, mines and resources, will conduct these negotiations with the province of Manitoba.

Co-operation between the Manitoba and federal authorities has enabled this great resource to be surveyed, and the possibilities of development appraised, in such a manner as to lead to the present agreement. I should like to pay tribute to my colleague the Minister of Northern Affairs and National Resources (Mr Laing) for the important part played by him and his department in the earlier stages of the investigations which have led to today's announcement.

The power resources of the lower Nelson river have been surveyed at a cost of $4 million as a 50-50 joint federal-provincial undertaking over the past three years under the direction of a joint Nelson river programming board. With the consent of the house, Mr. Speaker, I would like to table the interim report of that board, which is dated December, 1965.

Mr. Speaker: Does the Prime Minister have leave of the house to table the report referred to?

Some hon. Members: Agreed.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, the announcement made by the Prime Minister is of major importance to national development. This represents the culmination of the progressive policies of northern development instituted by the Progressive Conservative government a few years ago.

Some hon. Members: Hear, hear.

Mr. Churchill: The vision of the north which was ridiculed so often is now beginning to show real sense to the people of Canada. This is what we have been looking for for many years, and I pay tribute to the Conservative government of Manitoba for its initiative in proceeding with its plans for the development of the Nelson river.

There is an opportunity now for the present government to proceed with the plans we had underway several years ago, namely the development of a national grid. Here we have one of the great water resources of northern Manitoba available with a surplus of power for the advantage of the other provinces of Canada, and I would point out to the Minister of Industry and to other members of the cabinet that here is a fine opportunity for the promotion of industrial development in western Canada.

Obviously there will be a readily available surplus of cheap electric power which will be of advantage to industrial development. If there is power surplus to Canadian requirements there will likely be available a ready market south of the border, and I am sure

the energy board will be looking at this aspect with a great deal of interest.

We welcome this announcement, and we are glad the federal government has begun to show some interest in northern development.

Mr. E. R. Schreyer (Springfield): Mr. Speaker, I am sure the Prime Minister's statement will be welcomed by the people of Manitoba as well as by the provincial authorities. I did not hear some of the remarks made by the hon. member for Winnipeg South Centre, particularly the one which caused such a flutter among those sitting on the Conservative benches. For my part I do not think this is the right time to make any sort of partisan comment. I merely say that the development of the energy potential of the Nelson river has been under constant study for the past four years. Finally we have an undertaking that substantial federal support will be forthcoming.

I think it should be borne in mind by both levels of government that in developing these sources of electric power we should try at all times to plan for the maximum utilization of this energy within Canada. I realize that in the short run most of this power will have to be exported to markets across the line. Nevertheless, I hope the government will always be mindful that in the long run the utilization of this energy should be planned with the needs of the Canadian consumer in mind.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, each time the government says it will contribute to the economic development of the country, we are very happy to hear it. To our minds, the important undertaking just announced by the Prime Minister (Mr. Pearson) with regard to the province of Manitoba and the whole of Western Canada, will greatly help that section of the country.

However, other undertakings just as important are possible and needed in other regions of the country. Be that as it may I repeat that each time the government announces some economic development, we welcome the news.

As the previous speaker said, this is not the time to indulge in political partisanship, although the hon. member for Winnipeg South Centre (Mr. Churchill) did so a little earlier, claiming that the Nelson river exists in Manitoba thanks to the Conservatives.

He seems to forget that it was under a Conservative government that Canada went through its worst times—

Some hon. Members: Order.

Mr. Caouette: —when we had a million unemployed in Canada. He seems to forget, Mr. Speaker, that the economic development of the country—

• (2:50 p.m.)

[*English*]

Mr. Speaker: Order, please. I take the liberty to remind the hon. member of the dispositions of standing order 15(2)(a), which provides that members may comment briefly on the subject matter of the announcement made, and should not make any statement that might provoke debate. So I invite the hon. member for Villeneuve to limit his remarks to the substance, to the essence of the statement made by the right hon. Prime Minister.

[*Translation*]

Mr. Caouette: Mr. Speaker, I shall be very brief, but I wish to draw your attention to the fact that the same thing could have been done to the hon. member for Winnipeg South Centre, when he had the floor.

In any event, I sincerely believe that the reason why these developments are now taking place in Manitoba or elsewhere in Canada is the fact that the Conservatives are no longer in office.

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I am quite sure all Canadians rejoice when announcements are made such as we heard today, which indicate further development of the tremendous resources we have in Canada. I found myself wondering, as I heard the Prime Minister's announcement, whether this is an indication of governmental policy which may help by sharing the cost of transmission lines from such hydroelectric developments as the Peace river. I am sure in that case the cost will be much more than the $120 million referred to when it comes to the construction of similar transmission lines to the lower mainland. The same could be true of Hamilton Falls as well.

We would hope the policy just announced will be reflected in the fiscal policies to be worked out with the provinces relating to similar cost sharing programs.

Nelson River Power Development

Mr. Robert C. Coates (Cumberland): Mr. Speaker, we have seen a situation develop in this house which allows members who purport to be leaders of parties, but which have no party basis in the house, to rise up and make statements on motions.

Some hon. Members: Order.

Mr. Coates: This is very important because it affects the privileges of every member of the house.

Some hon. Members: Hear, hear.

Mr. Coates: When these members stand up and make statements on motions they are delaying the business of the house. One of them leads eight other members; the second leads four other members. We also have two independent members. If they preferred to join together in a formal party I should think one of them could stand up and also comment, and we could get into a position where another member belonging to a national party would have no opportunity to comment.

It is my belief, sir, that you should take this matter under advisement and indicate who should be permitted to reply on motions and who should not be able to reply.

Mr. Speaker: Order. When this point was raised, I believe about a week ago, I indicated that if the point of order were raised again I would give hon. members the opportunity to submit representations one way or the other, and that I would then take the matter under consideration. If other hon. members wish to submit argument on this point to enlighten the Chair on how to interpret standing order 15, I would be pleased to hear them at this time.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it seems to me that the wording of standing order 15(2a) under which we are operating is quite clear. It also seems to me that our practice in this matter is quite clear. The latter part of standing order 15(2a) reads:

> A spokesman for each of the parties in opposition—

It does not say "a leader"; it says "a spokesman". Those words, including the word "opposition", are all in lower case letters, and there is no reference to the official opposition. It states:

> A spokesman for each of the parties in opposition to the government may comment briefly, subject to the same limitation.

[Mr. Thompson.]

I suggest that in a number of ways this house has already recognized that there are four groups or parties in opposition to the government, and that it is perfectly proper that one spokesman for each of those parties in opposition to the government should speak on these motions if he wishes to do so.

I would point out to Your Honour and to the hon. member who has just spoken that this is a new rule, albeit provisional, which was adopted during the last parliament on the recommendation of a committee under the chairmanship of Mr. Speaker on which the same five parties now in the house were represented. When the rule was brought in it was understood that it was presented on behalf of the five parties then in the house, and throughout the last parliament at any time a spokesman for one of these parties wished to reply to one of these statements on motions Mr. Speaker allowed him to do so.

I should also point out that the wording of standing order 15(2a), at least the part that I have read, was actually taken from a ruling given by Mr. Speaker Michener. Up to that point it was just a ruling or citation listed in Beauchesne. When Mr. Michener was in the chair he sought to avoid the practice of having several people from each of the different parties speak, so he narrowed it to one spokesman for each party; and that dictum given by Mr. Speaker Michener was accordingly put into the rule when we drafted standing order 15(2a). I suggest that the practice of the last parliament is the one we should continue to follow in this parliament.

I have heard some of my friends to the right asking the question, how do we define parties? I submit, Mr. Speaker, that there is no such thing as an over-all definition of parties so far as the House of Commons is concerned. In the first place the names of the parties are not allowed on the ballot papers. We come here as individual members and our groupings are the result of our own arrangements. The only case where the word "party" appears, so far as the members of the House of Commons are concerned, is in the Senate and House of Commons Act where provision is made for an extra allowance to the leader of a party other than the government or the official opposition when that party has 12 or more members. But that, Mr. Speaker, and I assert it as strongly as I can, does not define a party. This is merely a definition for the purpose of that one piece of legislation, namely the Senate and House of Commons Act.

I submit there is no over-all definition of parties in this house, and that we have accepted the fact that we are here as five groups. Your Honour has allotted areas in this house for the seating of each of the five groups that are here. I suggest that to attempt to alter this arrangement by objecting to spokesmen for the various parties having a chance to speak on motions is certainly defying the spirit of the last parliament, defying the spirit of parliament itself and defying the wishes of the Canadian people who, of their own free will, sent members of five parties to this House of Commons.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, in support of the logical argument advanced by the hon. member for Winnipeg North Centre, I should like to suggest to you that what you have done on a number of occasions, and what you did this afternoon in allowing one spokesman from each party to respond to the announcement made by the Prime Minister, is in keeping with the long traditions and practices of this house. Any one who now suggests that there is a new definition of a party in respect of this kind of recognition is in fact attempting to change this long established practice.

• (3:00 p.m.)

For example, during the years 1958 to 1962, when there were eight members in the C.C.F. party and later the New Democratic party, because the name changed during that period, the leader or a spokesman from among the eight was accorded the privilege of expressing the opinion of that party with respect to an announcement such as the Prime Minister made this afternoon.

I draw to your attention also, Mr. Speaker, that on many occasions prior to that time, particularly from 1935 up to 1957, there were numbers like eight, ten, twelve and even less in groups in this House of Commons, and they too were given an opportunity to state their party's policy in response to this kind of announcement. Therefore while, as the hon. member for Winnipeg North Centre has suggested, standing order 15(2a(is a new rule, there is precedent for this procedure by virtue of long practice.

Speaking specifically about this party, Mr. Speaker, while we have only five members with seats in this House of Commons, I would draw to your attention that there were well over 300,000, in fact I think nearly 400,000, Canadians who voted for our party. Surely this group of people have the right to have their opinions expressed when this kind of announcement is made. I also suggest to you, Mr. Speaker, that in so far as this party is concerned we have a direct relationship with two provincial governments, or one fifth of all the provincial governments in this country. I am sure Your Honour understands that there is a direct relationship between the policies we hold and the policies of these two provincial governments.

Surely when the Prime Minister makes an announcement that directly involves negotiations between the federal government and the provincial governments—and this was the essence of what the Prime Minister announced this afternoon—spokesmen who are in the same party as these two provincial governments ought to be able to give an expression of opinion in response to that announcement.

Therefore I do not think there is any validity whatever in the argument advanced by the hon. member for Cumberland, because if you were to seriously consider what he is suggesting this afternoon you would have to go against all the tradition and practice of this house for the past 30 years; you would have to violate what I suggest was accepted by this house when it approved standing order 15(2a). You would also to some extent violate the right of some 400,000 people to have their opinions expressed, and you would remove the possibility for the two provincial governments of the same party as this to express their views in response to this kind of announcement.

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, as you no doubt are aware I am something of a hybrid in this house. I represent the Liberal-Labour Association of Kenora-Rainy River.

Some hon. Members: Hear, hear.

Mr. Reid: I want to put myself on record as in agreement with the hon. member for Winnipeg North Centre and the hon. member for Medicine Hat. I might say at this time that while I find myself in very congenial company in the Liberal party here, there may come a time with the shifting sands of politics when I would find it necessary to move away.

Some hon. Members: Hear, hear.

Mr. Churchill: Hurry up before it is too late.

Mr. Reid: I want to say, Mr. Speaker, that I speak in the most hypothetical manner. But I do want to put myself on record in this

connection, because I do not want to see the representatives of any minority group, particularly the independents, abolished by a rather unscrupulous attempt by the members across the way to cut off valid sections of the Canadian population from the opportunity of expressing their opinions in this house.

Mr. Speaker: Order, please. Perhaps the hon. member used a word that went beyond his thoughts when he referred to the "unscrupulous" attempt made by the opposition. I have no doubt that the word was used in a very general sense and that no one will insist that it be amended at this time.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I simply wish to put on record, or to recall for hon. members, a sentence that will always remain famous; in fact, it was once spoken here, in this house, and I believe it should be repeated on the occasion of this debate.

It was spoken in October 1963 by the present right hon. Leader of the Opposition (Mr. Diefenbaker), when he said: "I do not agree with your ideas, but I will fight to death to assure you the right to express them."

Mr. Speaker, such an example of democratic spirit and freedom of speech should help you to arrive at a decision on the question at hand. Canada is under a democratic system where any idea may be expressed. A substantial part of the Canadian people have selected representatives from different parties to express their views in the house. That is why I believe third parties also should be entitled to express their opinions on motions introduced before the house, particularly in view of the fact that the Conservative party, while it may have the largest number of opposition members, does not speak in the name of all the opposition and in many cases, our ideas vary on different subjects. They speak on their own behalf, but not in the name of the third parties.

For these reasons, I believe that in the future as in the past, you should allow third parties to speak on motions.

[*English*]

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, it is quite clear from the discussion which has taken place that the point of order raised is a difficult one. It is also quite evident, if I may comment on some of the discussion, that this debate has gone beyond the point at issue, which is a narrow one as to the interpretation of the meaning of a rule. I suggest that now the point has been raised specifically, it be taken under advisement and a decision given later after there is an opportunity to prepare a carefully reasoned decision on the point.

Some hon. Members: Do it now.

• (3:10 p.m.)

[*Translation*]

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I should like to add just one word. On behalf of the hon. member for Three Rivers (Mr. Mongrain) and myself, I endorse the remarks made by the hon. members of the New Democratic party, the Ralliement créditiste and the Social Credit party about the right of members of third parties to speak. Since the beginning of this session, in spite of the good will and good faith shown by the Speaker and his assistants, the chairman and the deputy chairman of the committees of the whole house, efforts are being made to restrain the number of members from the third parties, and we are against that. I must point out also that we, the two independent members in this parliament, represent more than a hundred thousand voters and I think that, to a certain extent, we are living proof that the people wish to see some changes in the political parties.

The Speaker's role is to protect the minorities in this house. We have the right to speak, and not only after the party whips have decided to let six Liberals, six Conservatives and six members of the New Democratic party have the floor. We have been elected to the house by the people. We represent not only a riding, a province, a party, but we have been elected members of parliament for Canada and represent the whole country. We are all equal when it comes to having the right to speak.

That is why I ask you, on behalf of the hon. member for Three Rivers and the others, to reconsider this attitude and not allow the party whips to decide who is going to speak.

[*English*]

Hon. Gordon Churchill (Winnipeg South Centre): I appreciate the difficulty in which you are, Mr. Speaker, as the result of having to come to a decision on this point. Perhaps you are going to reserve judgment. I was very much interested in the remarks of the hon. member for Winnipeg North Centre and the hon. member for Medicine Hat, the great reformists of just a year ago in the committee

on rules and procedure. Now they have become great traditionalists. These are the men who are holding on to the past. They do not want to move up into the twentieth century. They are antediluvian; just because something was done a few years ago they think it should be continued forever. I believe you will have to take that into account.

I was interested in the unhappiness of the hon. member for Kenora-Rainy River with the Liberal party. I quite understand that unhappiness. If he wants to form a party of his own, perhaps we might give him a chance to speak on behalf of that party.

I think the crux of the matter—as the hon. member for Winnipeg North Centre pointed out, is that the word "party" has not been defined. Nevertheless in 1963, when an arrangement was made to pay an extra amount of money to the leaders of groups who had eleven followers, that definition was incorporated or placed into the statutes of this country.

This is a guide for the Speaker as to what should be done on the matter of motions. Unless Mr. Speaker will permit independents to speak, and others who may claim that they represent several thousand people, I do not see how any control can be exercised other than by referring to the precedent established in 1963. This precedent has determined that a party, in so far as we recognize parties in this house, must be on the basis of a minimum of twelve members. If those who sit in opposition would consider themselves as the opposition to the present government, the present government would no longer be sustained.

Mr. Speaker: Order, please. The Chair does not want to stop debate—does the hon. member for Edmonton-Strathcona want to add a word to what has been said?

Mr. Terence Nugent (Edmonton-Strathcona): I did not believe I should allow the remarks of the hon. member for Medicine Hat to pass without comment. There were two matters he mentioned. One was the fact that he was a member in this house speaking for a provincial government rather than as a federal member of parliament. I feel it would be most unwise if parliament were to give any credence to any such theory. The second ridiculous theory he expounded was that because he happens to belong to the same political party as that which is in power in the province of Alberta he therefore has some special status in this house. I feel the house should recognize that if a voice from a province should be heard, it should be heard according to the manner in which the people of that province sent members to speak for them here. Certainly, in so far as the province of Alberta is concerned, that would be a Conservative voice and not the ridiculous voice of Social Credit.

Mr. Jack McIntosh (Swift Current-Maple Creek): I should like to add my support to what the hon. member for Edmonton-Strathcona has just said. He left out one point. The hon. member for Medicine Hat said that his group represented 300,000 or 400,000 people in Canada, and I believe he said that these Canadian people had a right to have their opinions expressed. I should like to remind the Chair that each of us represents 50,000 or more people who have as much right to have their opinions expressed as the 300,000 or 400,000. If you are going to recognize individuals, then I think every member in this house should be able to get up and suggest that his constituents have a right to be heard.

This is what we have been objecting to in the past, Mr. Speaker, when you have tried to speed up the business of this house and you have been restricting backbenchers from time to time—

Mr. Speaker: Order, please. I wanted to hear arguments with regard to the application of standing order 15(2a) only, and the hon. member is going considerably beyond that so I will not hear further argument. The Chair will take under advisement the arguments submitted and in due course render a decision.

GRAIN

WHEAT BOARD PURCHASES—CLARIFICATION OF ANSWER TO STARRED QUESTION

Mr. Jean Chrétien (Parliamentary Secretary to Minister of Finance): On Monday, February 7, Mr. Speaker, I replied in French to starred question No. 319 asked by the right hon. Leader of the Opposition. The English translation does not reflect exactly the meaning of the information received from the officials. With your permission therefore, Mr. Speaker, I should like to read the reply, as prepared in English, to clarify the record.

The answer to the first part of the question is as follows. In addition to stocks delivered to the Canadian Wheat Board by producers the only purchases of wheat by the Canadian Wheat Board since December 1, 1965 have been limited overages received from terminal

elevators. These overages are purchased at the initial payment price for the grain concerned.

2. As a sales policy the Canadian Wheat Board allows members of the grain trade who are agents of the board to enter into firm sales commitments for wheat at seaboard ports for immediate shipment or for shipment within authorized contract periods in the future. At the present time the board has not entered into any such sales commitments for shipment beyond July 31, 1966. In some cases the agents of the board may purchase this wheat for any destination of their choice. In other cases such sales are confined to destinations which cannot be changed without permission of the board. Since August 3, 1965 the board has confined sales by its agents to named destinations. The wheat recently purchased by the Canadian government from agents of the board for shipment to India was made possible by the board agreeing to change to India the destinations previously agreed.

3. Currently most of the board's open sales commitments to its agents are for named destinations. Prior to export shipment, the board has no way of ascertaining to what extent its agents have finalized sales to the ultimate buyers in the declared destinations.

• (3:20 p.m.)

[*Translation*]

CANADA MEDAL

PROVISION FOR AWARD DURING CENTENNIAL YEAR

Mr. Fernand E. Leblanc (Laurier) moved for leave to introduce Bill No. 122, an act concerning the Canada medal.

Some hon. Members: Explain.

Mr. Leblanc: The Canada medal was created by virtue of order in council No. 7964 of October 14, 1943, as a recognition for extraordinary and meritorious services rendered by Canadians and non-Canadians. Now, it would seem that the various governments which have successively governed our country have forgotten the order and have shelved it.

Under my bill, the Canada medal would be awarded for the first time on July 1, 1967, on the occasion of the centennial celebrations. Afterwards, it would be awarded each year, on the same date, during appropriate ceremonies.

Contrary to the order in council, this bill provides for a bilingual medal. In addition, the decoration should proudly bear the symbol—

[Mr. Chrétien.]

Mr. Speaker: I wish to remind the hon. member that he is entitled to give a brief explanation but he may now be exceeding the limits set down by standing orders.

Motion agreed to and bill read the first time.

[*English*]

POWER

INQUIRY AS TO FEDERAL ASSISTANCE IN MANITOBA AND NEWFOUNDLAND

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the Prime Minister made a statement today regarding the development of power in Manitoba following the undertaking entered into on February 18, 1963 to carry out a survey of the Nelson River area. I would ask the Prime Minister whether it is the government's intention to apply a similar policy to the development of Hamilton Falls in Labrador; and have any discussions been held with the premier of Newfoundland within recent days or weeks with regard to federal co-operation or assistance in the Brinco developments.

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. The situation with regard to Hamilton Falls, as my right hon. friend knows, is different from that which I announced this afternoon in that two provinces are collaborating in the development of this power with a private corporation. They have not asked for the kind of assistance which we have worked out with the government of Manitoba.

Mr. Diefenbaker: Has there been any discussion whatever with the Premier of Newfoundland about the assumption by the federal government of any portion of the expense in connection with the development of this project?

Mr. Pearson: Not to my knowledge, Mr. Speaker, but I should like to check back because this has been going on for two or three years and I want to make sure that no request was made in the early days of which I have no knowledge.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I have a supplementary question which I will direct to the new minister of resources and energy in his new capacity. He has probably found out by now that I have been trying for three years to get a copy of the interim report on the national transmission grid which was promised to me—

Some hon. Members: Oh, oh.

Mr. Hamilton: —in September, 1963, and which I still—

Mr. Speaker: Order, please.

Mr. Hamilton: My question is—

Mr. Speaker: Order.

Mr. H. W. Herridge (Kootenay West): A supplementary question, Mr. Speaker.

Mr. Hamilton: Mr. Speaker—

Mr. Speaker: Order. The Chair heard the first part of the hon. member's question and it was obviously not a question. The hon. member was making a statement, which is quite out of order.

Mr. Aiken: Mr. Speaker, on a point of order, I think it was quite obvious, if I may respectfully say so, that the hon. member was trying to introduce his question, which was perfectly in order.

Mr. Speaker: I beg to disagree with the hon. member.

Mr. Hamilton: Then may I reword my question, Mr. Speaker. I would ask the minister of resources and energy when we can be given the interim report on the study of a national transmission grid.

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): May I take that question as notice and answer tomorrow, Mr. Speaker.

Mr. H. W. Herridge (Kootenay West): A supplementary question, Mr. Speaker. I wish to address my question to the Prime Minister and it relates to the statement he has just made regarding the development of power in Manitoba. The Prime Minister mentioned that the ultimate would be to produce a potential five million kilowatts. Can that five million kilowatts be realized without agreement with the provinces of Saskatchewan and Alberta with respect to the use of waters flowing through those provinces?

Mr. Pearson: Mr. Speaker, that is a question of detail which I shall have to take as notice.

Mr. Erik Nielsen (Yukon): A supplementary question, Mr. Speaker, to the minister who will become the new minister of energy and resources. May I ask him whether the government has yet made any formal objection to the government of the United States with respect to the intention of that government to proceed with the development of the Rampart dam project on the international Yukon river?

Mr. Pepin: Mr. Speaker, I am not well acquainted with this question. I am getting acquainted with problems day by day, and I will try to get the necessary information.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a further supplementary question which I will direct to the Prime Minister. Would the Prime Minister indicate whether the federal government assistance is in the form of a direct grant or a loan to be amortized at the expense of the people of Manitoba over the years?

Mr. Pearson: Mr. Speaker, if my hon. friend will read my statement he will find the answer to that question. It is not a direct grant.

FINANCE

REPRESENTATIONS TO U.S. RESPECTING APPLICATION OF MONETARY POLICY

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Last week I asked him whether he would table the aide-memoire from his department to the United States government regarding the economic guide lines as they affect Canadian subsidiaries of United States corporations. He promised to do so at the proper time. I should like to ask the minister whether the proper time has arrived, and would he be prepared to table that aide-memoire now?

Hon. Paul Martin (Secretary of State for External Affairs): As I said, Mr. Speaker, on February 11, the aide-memoire had to do with the securities and exchange commission regulations. As soon as I have had an opportunity to consider the matter further with some of my colleagues, we will have to decide what is the appropriate time.

[*Translation*]

SOURCE OF FUNDS TO AID UNDER-DEVELOPED COUNTRIES

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I direct a question to the Minister of Finance?

The Canadian government has pledged to give the world bank a substantial sum of $25 million to fight poverty in the world. Could the minister tell us if that amount will come out of the consolidated revenue of the country or if the Bank of Canada will create new credit for that purpose? Can the minister tell us where he will find that money to help the underdeveloped countries of the world?

Inquiries of the Ministry

Mr. Speaker: That question is very important but its scope is such that we cannot expect the minister to answer it right now.

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

I know how broad the question is but it seems to me that it is not so difficult to tell us where the $25 million to be paid to the bank will come from.

Mr. Speaker: If the hon. member will put his question on the order paper, I am sure that the minister will be able to answer it.

[*English*]

BUSINESS OF THE HOUSE

CONSIDERATION OF ESTIMATES BY STANDING COMMITTEES

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I direct my question to the Prime Minister. With the tabling of the estimates yesterday by the Minister of National Revenue and the clarification he made today regarding the two different translations, could I ask the Prime Minister whether or not it is the intention of the government to refer these estimates to the committees so that preliminary committee work can begin immediately?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker.

ADMINISTRATION OF JUSTICE

JUVENILE DELINQUENCY—COMMITTEE CONSIDERATION OF REPORT

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Solicitor General a question regarding the report of his departmental committee on the juvenile problem in Canada. Before asking my question perhaps I might be permitted, having more than a passing interest myself in the report—and I think I express the feelings of all hon. members and the people of the country in this regard—to say that we are happy indeed that these studies have come to a conclusion and this very valuable report has been made.

The question I ask the minister is this. Will the government give favourable consideration to the early reference of this report to the standing committee on justice and legal affairs in order that the House of Commons may consider the matter and make its recommendations as to the implementation of policy in light of the considerations arising out of this report?

[Mr. Caouette.]

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, permit me first to express appreciation for the hon. member's kind remarks regarding the report. I commend him for initiating the committee which brought down the report. As the hon. member is aware, this far reaching report is under study in the Department of Justice and the office of the Solicitor General. I hope to be able to make an announcement when the studies are completed.

PUBLIC SERVICE

PRINTING BUREAU EMPLOYEES ENGAGED IN PRIVATE PRINTING

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Secretary of State. May I ask the hon. lady if she intends to permit permanent employees of the Queen's Printer to be directors of or directly interested in a private printing syndicate outside the functions of the Queen's Printer?

Mr. Speaker: Order, please. Perhaps the hon. member would care to place that question on the order paper.

[*Later:*]

Mr. Winkler: Mr. Speaker, I rise on a question of privilege just before the question period ends. Because of the fact that I may have directed my earlier question to the wrong minister—I should have addressed myself to the Minister of Industry—because of the fact that I was not permitted to receive a reply, and in view of the graveness of the charges against employees of the Queen's Printer, I should like to discuss the matter at ten o'clock this evening.

SPORTS

EXCLUSION OF CANADIAN CITIES IN HOCKEY LEAGUE EXPANSION

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to direct a question to the Prime Minister. Has the government looked into the anti-trust aspect of the exclusion of Vancouver from a National Hockey League franchise? Would he point out to the directors of the N.H.L. that the league was started as a Canadian league and that Canadians object strongly to it being turned into an organization which discriminates against first class Canadian teams for the benefit of owners in the United States?

Mr. Speaker: Order, please. The hon. member's representations are very interesting and I am sure they will be noted by the minister.

FINANCE

REPRESENTATIONS TO U.S.—APPLICATION OF CANADIAN LEGISLATION TO U.S. COMPANIES

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I have a puck to direct to the Minister of Finance. May I ask the minister whether, in view of the report in the morning newspapers that the United States deficit in its balance of payments in 1965 was the lowest that country has known since 1958, he will consider making further representations to the authorities in Washington to rescind the troublesome guide lines which threaten to interfere with Canada's economic and political sovereignty?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, my colleagues and I will be visiting with the respective secretaries of the United States cabinet on March 4 and I can assure the hon. gentleman that the matter he has raised will be a subject of discussion.

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I have a supplementary question for the Minister of Finance. In view of Washington's direct investment guide lines which have been extended to Canada and which are designed to improve the United States balance of payments position at the expense of Canada, will the minister take action requesting United States subsidiaries in Canada to file quarterly returns at Ottawa indicating the extent of their compliance with the United States guide lines?

Mr. Sharp: Mr. Speaker, my first comment on that question is that it is really quite impossible for the United States to improve its position at the expense of Canada, and that is the reason we have suggested to the United States authorities that these guide lines on direct investment should not apply to us.

With regard to the second question, I will have to take the hon. gentleman's suggestion under consideration.

Mr. Crouse: I have a further supplementary question, Mr. Speaker. The other day the Minister of Finance stated that in the event the United States guide lines were affecting Canada he would take action for the benefit of the Canadian economy. May I ask the minister just what action he could contemplate taking unless he ascertains the amount of compliance by United States companies in Canada as a result of these guide lines?

Mr. Speaker: Order, please. The hon. member is now submitting an argument to the Minister of Finance.

Mr. T. C. Douglas (Burnaby-Coquitlam): A further supplementary question, Mr. Speaker. May I ask the minister if we can have his assurance that when he meets with the United States authorities on March 4 he will not tell them what he told the Canadian people last December, that these guide lines are an economic windfall for Canada?

Mr. Speaker: Order, please.

PENITENTIARIES

COLLINS BAY—INVESTIGATION INTO ESCAPE OF PRISONERS

On the orders of the day:

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, may I direct a question to the Minister of Justice. Is he able to report to the house the findings resulting from the special investigation into the prison break by three prisoners from Collins Bay penitentiary last Wednesday who were later captured near St. Catharines?

Mr. Speaker: Obviously this is a matter of great general interest but I suggest to the hon. member that it should really be placed on the order paper.

MUNICIPAL DEVELOPMENT LOAN FUND

INQUIRY AS TO EXTENSION OF PERIOD

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to direct a question to the Minister of Finance. Has he met the provincial ministers regarding the municipal development loan fund and what is his position?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I am meeting the ministers of the provinces on this subject this afternoon.

Mr. Starr: Mr. Speaker, I have a supplementary question. When will the house be informed of the decision of the government?

Mr. Sharp: As soon as it is made, Mr. Speaker.

Inquiries of the Ministry

FISHERIES

SEALS—REQUEST FOR DELAY IN AMENDMENT OF REGULATIONS

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, may I address a question to the Minister of Fisheries. Up to the present time has the order in council concerning proposed changes in the seal hunting regulations been passed and, if not, will he delay the passing of this order in council to enable the shore fishermen from Cape Ray to Cape North to supplement their income in this manner and to make further representations to himself and to his officials outlining their objections?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, in replying to a question addressed to me on Friday last, I think, I stated that the submission for the order in council had already been signed, and it is expected to be passed within the next 24 hours. At this late date so close to the opening of the season I do not wish to delay the passing of amendments to the seal hunting regulations.

Mr. Muir (Cape Breton North and Victoria): Mr. Speaker, I have a supplementary question. I thank the minister for his reply, but may I ask him if he would not consult with his colleagues who are also involved in this matter and consider if this matter cannot be delayed for a few days longer to see if something cannot be done about the situation?

Mr. Robichaud: Mr. Speaker, on different occasions in the house it was stated that the department was open for ideas with respect to amendments that could be made to the regulations. Public meetings were announced which were held in Moncton and the fishermen concerned had the right to make representations. As I said just now, it is too late at this time to consider delaying the passing of these amendments.

HARMFUL RESULTS OF FEEDING LAKE ERIE FISH TO MINK

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I have a question for the Minister of Fisheries. In view of the really alarming reports that mink fed on fish caught in lake Erie have become sterile, what investigations are now being conducted by the department to find the harmful substance in the fish?

[Mr. Sharp.]

Mr. Speaker: Order, please. This question might very well be placed on the order paper.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I have a question for the Prime Minister. What was the purpose of the visit by the Prime Minister and the house leader to the offices occupied by the Leader of the Opposition and the opposition whip?

Mr. Speaker: Order, please. I suggest that is not a proper question.

CANADA PENSION PLAN

INQUIRY AS TO REFUNDS TO EMPLOYERS

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. It has to do with the Canada Pension Plan, and it stems from several representations and complaints I have received from employers. Is the minister considering making provision for employers who have paid more than the maximum, similar to that in the case of employees?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, this aspect of the Canada Pension Plan is the responsibility of the Minister of National Revenue.

Mr. Hales: Mr Speaker, may I address my question to the Minister of National Revenue?

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, the Department of National Revenue is responsible for the collection of funds under the Canada Pension Plan. The problem just raised is one to which we have given a good deal of consideration. Indeed, it was considered by the committee of the house when it examined the Canada Pension Plan. To date my department has not come up with a method of calculating the amount of refunds that should go to each employer, or a method that would facilitate making such refunds. I might also point out that in the United States, where the social security system has been operating for some 40 years, they have not yet been able to work out a system whereby they can refund amounts to employers.

Hon. J. W. Monteith (Perth): Mr. Speaker, I have a supplementary question for the Minister of National Revenue. I recollect that

in the committee studies with respect to the Canada Pension Plan we were told that these overages paid by the employer were part of the actuarial picture.

Mr. Benson: All contributions coming in under the Canada Pension Plan were taken into consideration in developing the amount involved. The amount of employers' contributions which would be refundable, if a method to do so could be worked out, would amount to around $5 million a year.

Mr. Monteith: I have a further supplementary question, Mr. Speaker. If this were done and, for example, a method were worked out to refund the employers' share, would this affect the calculation of the whole plan?

Mr. Speaker: Order, please. This is becoming a debate between the minister and the hon. member who asked the question. I suggest we go on to another subject.

TRANSPORT

WELLAND CANAL—INQUIRY AS TO BYPASS CONSTRUCTION

On the orders of the day:

Mr. D. R. Tolmie (Welland): Mr. Speaker, my question is addressed to the Minister of Transport. It is of the utmost importance to the operations of the St. Lawrence seaway as well as to the city of Welland that we should know as soon as possible whether the proposed Welland canal bypass is going to be built. Can the minister tell us what progress has been made in this matter?

Mr. Speaker: Order This question is obviously important and perhaps it is urgent but I still feel it should go on the order paper.

ADMINISTRATION OF JUSTICE

GEORGE VICTOR SPENCER—REQUEST FOR JUDICIAL INQUIRY

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 government has made any decision yet respecting the setting up of a commission to investigate the Spencer matter. The right hon. gentleman said he expected a decision would be made in a few days. That was, I think, some ten days ago.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, as I said the other day, it was hoped that the estimates of the Department of Justice would be before the house early this week or during this week.

Some hon. Members: Oh, oh.

Mr. Pearson: That is what I said in the house the other day and I repeat it now. I said that when the estimates were introduced I would make a statement on this subject which could then be debated by hon. members.

Mr. Diefenbaker: My question was a simple one. Has a decision been made on this matter? A discussion of the subject can, of course, be undertaken when the estimates of the Minister of Justice are before us. But a question involving a person who is being followed day and night under continual surveillance should not be brushed aside.

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Prime Minister. In view of the importance of setting up the commission of inquiry into the Spencer case without delay, would the Prime Minister not consider bringing on the estimates of the Department of Justice this afternoon just for a few moments, during which he would have the opportunity to make his statement?

Mr. Pearson: Mr. Speaker, the best way of reaching the estimates of the Department of Justice is by finishing as quickly as possible the estimates of the department now before the committee.

Some hon. Members: Oh, oh.

[*Later:*]

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I want to ask the Prime Minister whether he realizes that the estimates of the Department of Justice will be the twelfth department to come before the committee of supply, which probably means that the Spencer case will not be dealt with until the end of next week? In view of that fact, will the Prime Minister consider having the estimates of the Department of Justice come up for consideration earlier, perhaps right after the estimates of the Department of Transport?

Mr. Pearson: I will be glad to look into that suggestion, Mr. Speaker.

EXPO '67

MONTREAL—POSSIBLE STRIKE OF CONSTRUCTION WORKERS

On the orders of the day:

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, yesterday the hon. member for Argenteuil-Deux-Montagnes asked me a

question. I was able to hear only three or four words of it and I agreed to take it as notice and reply later.

The hon. member inquired what steps were being taken with regard to threats of a widespread strike in the Montreal area and its possible effect on Expo '67. I think the hon. gentleman and the house generally will be interested to know that an agreement has been entered into with the trade unions, among them being the Building and Construction Trades Council of Montreal and vicinity Q.F.L-C.L.C., and the Council of Syndicats of the Construction Trades of Montreal, C.N.T.U., which provides that there shall be no strike or work stoppage or picketing which would be an obstacle to the organization, management or liquidation of the exhibition. In case of strike action or picketing the unions agree to proclaim such actions as illegal and in violation of the agreement and they undertake to urge their members to resume work.

As may be seen from this agreement, Expo and the unions have agreed to deal with strikes or picketing which could hinder the exhibition. I would therefore hope that the hon. member can accept the assurance given by my colleague, the Minister of Trade and Commerce, and by the Expo authorities that everything possible has been, and is being done to deal with labour problems which might adversely affect the progress of the exhibition.

VETERANS AFFAIRS

INQUIRY AS TO ACTION RESPECTING AMENDMENT OF LEGISLATION

On the orders of the day:

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, yesterday the hon. member for Kootenay West asked me a question which contained three parts. I am not sure whether I am clear as to the intent of the question. The first part dealt with amendments to the Pension Act. So far as pension rates are concerned, I have dealt with these in answer to a previous question. We are awaiting the outcome of talks with the veterans organizations. As to amendments to any other parts of the Pension Act we will of course await the report of the committee of inquiry under Mr. Justice Wood. There is no intention at the moment of dealing with amendments to the War Veterans Allowance Act. I believe I answered the question dealing with the report on the Hong Kong veterans yesterday as well.

[Mr. Nicholson.]

CANADIAN CONFEDERATION

INQUIRY INTO ECONOMIC AND SOCIAL FORCES AFFECTING UNITY

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, I have a question for the Prime Minister concerning an important matter about which I asked him a question approximately a week ago. He then said he would look into it. Can the right hon. gentleman advise us now whether the interdepartmental inquiry into the economic and social forces affecting the unity of Canada has been completed and, if so, whether this report will be made available to members of the house?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the hon. member asked me this question the other day. On inquiry I find that the report itself was tabled in this house during May, 1965, and thereby made available to members. At that time it was stated that this study would be continued by the tax structure committee. It is now being carried on by them.

POWER

REPORT ON MEETING OF COMMITTEE ON TIDAL POWER

On the orders of the day:

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, may I answer a question which was put to the Prime Minister last Friday by the hon. member for Colchester-Hants. It had to do with tidal power in the Bay of Fundy. A meeting of officials on this subject took place in Ottawa last Thursday, February 10. On the federal side the meeting was attended by officials responsible to the Minister of Mines and Technical Surveys and the Minister of Transport. They met with officials representing the governments of New Brunswick and Nova Scotia. I am advised that the meeting, which was largely exploratory in nature, was highly successful. The results of the meeting have, of course, to be reported to the responsible ministers. Following that, we hope a mutually satisfactory understanding can be reached between the parties.

FORESTRY

UNION REPRESENTATION AT FORTHCOMING NATIONAL CONFERENCE

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the Minister of Forestry in connection with the

national forestry conference to be held next week and to be attended by representatives of provincial governments, industry and business. May I ask whether the labour unions will be represented?

Hon. Maurice Sauvé (Minister of Forestry): No, Mr. Speaker.

Mr. Orlikow: I should like to ask the minister if he would give consideration to having representatives of the unions there in view of the fact that the work force in this industry will be sharply reduced in the next few years as a result of technological changes.

Mr. Sauvé: I will, Mr. Speaker.

BANKRUPTCY

REQUEST FOR TERMS OF REFERENCE OF COMMITTEE

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I ask the Minister of Justice if his recollection has improved with respect to the terms of reference to the three-man committee on bankruptcy, and if those terms of reference are in written form is the hon. gentleman prepared to table them?

Hon. Lucien Cardin (Minister of Justice): Yes, Mr. Speaker. The members of the committee were given very general terms of reference in relation to the whole question of bankruptcy reform. These terms are set out in correspondence between myself and the members of the committee and I have no objection to tabling the correspondence. I will do so as soon as possible.

While I am on my feet perhaps I might answer a question which was asked by the Leader of the Opposition as well as by the hon. member for Yukon. I was asked whether the studies now being undertaken with a view to the revision of the Bankruptcy Act might not enable persons guilty of irregularities under existing legislation to escape the consequences of their acts if some action were not taken to suspend the operation of the legislative processes within which certain bankruptcy proceedings can be taken, at least while this committee is carrying on its study.

Mr. Speaker, I do not see any relationship between the limitation periods within which proceedings under the Bankruptcy Act must be taken and the studies now in progress. Any offences under the Bankruptcy Act that are discovered would be dealt with by the appropriate authorities under the present act. Such irregularities would not be discovered as a result of the work of the committee. Also, such prosecutions as have been taking place in Quebec, and which have been described as involving fraudulent bankruptcies, are offences under the Criminal Code for such crimes as arson and fraud. These are indictable offences in respect of which there is no limitation period for the laying of charges.

Mr. Nielsen: A supplementary question. First, may I ask the minister if he will table the terms of reference contained in the correspondence to the three members of the committee before his estimates come up so as to allow an intelligent and efficient discussion of them? Second, may I point out to the minister with respect to his reply to the questions yesterday—

Mr. Speaker: Order, please.

Mr. Nielsen: —that nowhere—

Mr. Speaker: Order. The hon. member cannot point out anything in connection with the minister's reply. He can ask a further question if he wishes to do that.

Mr. Nielsen: On a question of privilege or point of order, Mr. Speaker—

Mr. Favreau: Which one?

Mr. Nielsen: —the minister has purported to place words in my mouth and alter the record of *Hansard* with respect to the questions I asked him yesterday. If he will refer to them he will find I made no allegations of offences or irregular practice but rather with regard to procedures under the act.

Mr. Speaker: The hon. member knows he can ask questions and if he is not satisfied with the reply he gets from the minister he can ask a supplementary question but he cannot comment on a reply he receives from the minister.

Mr. Nielsen: On a point of order, Mr. Speaker, if the minister wishes to make such statements he should do so on motions.

Mr. Cardin: Mr. Speaker—

Mr. Speaker: Order, please. The hon. member for Villeneuve.

[*Translation*]

EXTERNAL AFFAIRS

VIET NAM—REQUEST FOR CANADIAN TROOPS TO AID U.S.

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs.

Inquiries of the Ministry

In view of the fact that the government of the Philippines has decided to send troops to Viet Nam and in view of the fact that American bombings have been resumed, has the Canadian government been asked to send Canadian troops to Viet Nam to help the United States?

Some hon. Members: A hundred thousand.

Hon. Paul Martin (Secretary of State for External Affairs): We have received a letter from a Mr. Echlin, which has not yet been answered, but we have asked for the advice of the Department of Justice.

Mr. Caouette: On a point of order, Mr. Speaker. I think the Secretary of State for External Affairs did not understand my question.

Mr. Speaker: The hon. member might be able to ask his question again if he is not happy with the answer given by the Secretary of State for External Affairs. For the time being, the Chair recognizes the hon. member for Huron.

Mr. Martin: I think that I did understand your question but that you did not understand my answer.

[*English*]

IMMIGRATION

REPORTED INCREASE IN APPLICATIONS FROM RUMANIA

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question arises out of an article in last month's issue of the magazine *Tablet* and I should like to direct it to the minister in charge of immigration. Has there been an unusual increase so far this year in applications from Rumania of people wishing to emigrate from the province of Transylvania to Canada?

Mr. Speaker: Order. I believe this question should be placed on the order paper.

CANADIAN NATIONAL RAILWAYS

REFUSAL OF EXPRESS SHIPMENTS BECAUSE OF TRUCKING STRIKE

On the orders of the day:

Mr. R. E. McKinley (Huron): Mr. Speaker, I wish to direct a question to the Minister of Transport. Does the minister know why the C.N.R. is refusing to pick up express from the Huron county area for delivery to the Montreal area?

[Mr. Caouette.]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I think perhaps that is an urgent question—

Mr. Speaker: Order, please. If hon. members feel this is an urgent question that should be replied to by the minister at this time—the Chair has grave doubts—then I would be quite satisfied to hear the Minister of Transport. Are hon. members in agreement with this?

Some hon. Members: Agreed.

Mr. Pickersgill: I think, sir, it is an urgent question because an embargo on shipping at any time is something that is put on suddenly and, one hopes, is taken off just as quickly as possible. That is the situation with regard to the embargo which the railways have had to put on in some parts of Ontario because of the regrettable strike of the truckers and the fact that in the circumstances they have not sufficient capacity to carry all the goods that are offered to the railways.

Mr. McKinley: Could the minister say whether this situation will improve before the strike is over?

Mr. Pickersgill: I could not say that but I fervently hope the strike will soon be over.

LABOUR RELATIONS

ONTARIO—REQUEST FOR INTERVENTION IN TRUCKING STRIKE

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to direct a supplementary question to the Minister of Labour. In view of what the Minister of Transport has just said, that this action is spreading all over Ontario and causing economic hardship, will the minister reconsider his position, bring these parties together and try to bring about a settlement?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker—

Mr. Speaker: Order, please. My understanding is that the question of the hon. member was directed to the Minister of Transport.

Mr. Starr: To the Minister of Labour.

Mr. Nicholson: Mr. Speaker, the parties are together this afternoon. I have been telling hon. members off and on for two weeks that the parties have been having meetings.

Mr. Starr: Mr. Speaker, we get the same answer from the Minister of Labour each time we ask this question. In view of the fact

that the parties have not been able to arrive at a settlement on their own, will the minister not use his good offices, take a personal interest in bringing these parties together, sit down with them and help them to bring about a conclusion to this strike?

Mr. Nicholson: Mr. Speaker, the minister is following the matter very closely.

Mr. Starr: So are we.

Mr. Nicholson: These negotiations are going on between management and labour. I understand that they are making progress in these negotiations and I do not think the minister should intervene when the parties are working together in this atmosphere.

Mr. Starr: They are not getting anywhere. That is the job of the Minister of Labour.

PARLIAMENT BUILDINGS

WEST BLOCK—REPORTED REDUCTION IN ELEVATOR SERVICE

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, I wish to direct a question to the Minister of Public Works. It is a question of some urgent moment to the members and staff of the house. Is it true that at least one of the elevators in the west block has been officially condemned, and what steps does the minister plan to take to restore effective elevator service in that building?

Mr. Speaker: This is a particularly urgent question to members of parliament, but I suggest it might be discussed between hon. members and the Minister of Public Works.

CANADIAN FLAG

SUGGESTED PROCLAMATION OF FLAG DAY AS HOLIDAY

On the orders of the day:

Mr. Max Saltsman (Waterloo South): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the fact that this is the first anniversary of the new flag and in view of the fact that there are no national holidays between New Year's and spring, would the Prime Minister consider declaring February 15 national flag day and a national holiday?

Some hon. Members: Hear, hear.

Mr. Speaker: It is an interesting suggestion and the hon. member may wish to place it on the order paper.

Inquiries of the Ministry

HEALTH AND WELFARE

PESTICIDES—RESIDUE IN TISSUES OF MARINE ANIMALS

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 Agriculture. It is based on the fact that there has been some very adverse publicity about the matter in the last few days. Are any research efforts directed by his department into an examination of residue properties in agricultural chemicals to determine whether or not they may be directly responsible for problems connected with the use of fresh water fish as food for humans, animals and birds, both wild and domestic?

Mr. Speaker: Perhaps the hon. member for Kent (Ont.) would place this question on the order paper.

[*Translation*]

WINTER WORKS

QUEBEC—FEDERAL INSPECTION OF MUNICIPAL ACCOUNTS

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I wish to put a question to the Minister of Citizenship and Immigration.

Would the Minister tell the house if there have been conversations recently with the Quebec Minister of Municipal Affairs, Mr. Laporte, with regard to the inspection of the books of Quebec municipalities by his departmental inspectors?

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, I got in touch with the Minister of Municipal Affairs on the point raised in the house, but as regards an investigation, or rather an inspection of the books of municipalities, steps have not yet been taken.

Mr. Asselin (Charlevoix): Mr. Speaker, may I put a supplementary question? Could the minister tell the house if the Quebec Minister of Municipal Affairs has any objection to an inspection of the books of Quebec municipalities?

Mr. Marchand: Mr. Speaker, no objection has been made to that inspection. As we know, auditing is done through the provincial governments and it is done regularly. In some cases, huge amounts of money were recovered by provincial auditors. The question is whether, in some cases, more thorough examinations should be made. If this is considered necessary, I shall then get in touch with the government authorities.

Inquiries of the Ministry

Mr. Réal Caouette (Villeneuve): Mr. Speaker, a supplementary question. Is the minister aware that every time inspectors go to Quebec municipalities to check, officers of Mr. Laporte's department inform the municipalities concerned that some federal inspectors are going over there to collect funds?

Mr. Marchand: No, Mr. Speaker.

[*English*]

FISHERIES

QUEBEC—FEDERAL-PROVINCIAL DEVELOPMENT PROJECT

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Fisheries based upon a press release from his department yesterday regarding a joint federal-provincial fisheries development project in the province of Quebec involving, among other things, the use of helicopters and the like. Will such facilities and services as have been available to eastern Canada and Quebec for the past few months be made available to British Columbia in the near future?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, I wish to assure all members of the house that there will be no discrimination whatsoever in so far as British Columbia is concerned.

Mr. Howard: When are you going to look westward?

[*Translation*]

URANIUM

INQUIRY AS TO DISCUSSIONS RESPECTING SALE TO FRANCE

On the orders of the day:

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I should like to direct a question to the Minister of Labour. Would he advise the house about the stage of negotiations between France and Canada concerning the sale of uranium?

[*English*]

Hon. J. R. Nicholson (Minister of Labour): I am afraid that I cannot help the hon. member, Mr. Speaker. I have had nothing at all to do with contracts dealing with uranium.

Mr. Churchill: Mr. Speaker, I had a question for the Secretary of State for External Affairs but he has left the house without authority.

Mr. Pickersgill: He is in the house.

[Mr. Marchand.]

DRUGS

ESTABLISHMENT OF SPECIAL COMMITTEE TO CONSIDER COSTS

Hon. G. J. McIlraith (for the Minister of National Health and Welfare) moved:

That a special committee be appointed to continue the inquiry into and to report upon costs of drugs, begun by special committees during the twenty-sixth parliament;

That the committee consist of 24 members to be designated later by the house; and be empowered to sit while the house is sitting;

That the committee be empowered to consider and recommend, as it may deem expedient, respecting a comprehensive and effective program to reduce the price of drugs;

That the committee be empowered to send for persons, papers, and records, and to report from time to time, to print such papers and evidence from day to day as may be deemed advisable, and to engage the services of counsel, accountants, and such other technical and clerical personnel as may be deemed necessary;

That the minutes of proceedings of and evidence given before the special committees at the 26th Parliament be referred to the said committee and be made part of the records thereof;

That the provisions of Standing Orders 66 and 67(1) be suspended in relation to such committee.

Motion agreed to.

SUPPLY

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

DEPARTMENT OF TRANSPORT

1. Departmental administration, $4,862,900.

Mr. Diefenbaker: Mr. Chairman, the departmental estimates have recently had some considerable attention and we in this party now wish to conclude the examination thereof provided we receive answers to one or two questions. A moment ago I mentioned to the Prime Minister that I intended to refer to some remarks he made last evening. I am not going to hold him up but I want him to know that I am going to make some reference to those remarks because they revealed a rather unusual viewpoint about the operation of parliament. Indeed, they would appear to indicate that his attitude is that the United States system is in some particulars to be preferred to ours and that a rather difficult situation has been created under our system of government whereby the Prime Minister and ministers of the Crown are subject to daily questioning in the house.

I know the Prime Minister has an appointment, as he informed me a moment ago, but I simply want to refer to the words indicative of an attitude that whatever the government says is good and that the opposition should not question the government as to what it

does. I refer to the Prime Minister's appearance on a television show last evening when he said, among other things:

—I used to think before I had this responsibility that there was no comparison between the parliamentary and the congressional system; that it was so much better to have the executive right there on the floor of the legislature exposing itself to parliamentary criticism every day; so that if it didn't retain the confidence of the House of Commons, we had an election. I thought that was the good old British way of doing things and it was the right way of doing things. I used to be a little scornful of the Congressional system, where the executive were separated from the legislative side of government.

An hon. Member: He has changed his mind.

Mr. Diefenbaker: He then said:

They had four years and during that four years —I was going to say they could get away with anything. Now I think there is something to be said for a little more independence—I mean by that, the executive not being subjected every hour to parliamentary appearances.

That is a most unusual doctrine. Then he goes on to set out changes that should be made or should be considered in the cabinet system to increase the number of cabinet ministers but with a reduction in the number of ministers who would exercise an effective role in the processes of government.

What the Prime Minister said last night reveals a state of mind shown over and over again by his government in refusing to give to the house and the country full and complete answers. I would refer to the following question and the Prime Minister's answer:

You mean by that that you really haven't got time to sit back and think ahead of next week unless you really—

Mr. Pearson: We haven't got time to think, or as much time as we should have, and we haven't got time—because of the important, but time consuming, processes of parliamentary and democratic discussion—time to get before parliament, and to get parliamentary decisions on, all the matters that require action. This does not mean that we should scrap parliamentary processes, because in a democratic society there is no better way than discussion to arrive at decision.

Then he goes on to state that the United States system has advantages in that for four years or whatever the period is the executive can, to use the Prime Minister's words, "get away with anything". That is a doctrine that needs guide lines. I will suggest to the Prime Minister, that his thinking as evidenced by his remarks last night does not have that regard for parliament which those occupying the position of Prime Minister should have. I hope that is one of those loose statements made without having had time to think. It is indicative of a trend on the part of this government made up of so many civil servants who think we in the opposition ought to be seen and not heard; that we ought to listen and not question.

• (4:10 p.m.)

The interpretation of what he said is that we should fix a regular period for parliament, that ministers should not be subject to examination and that examination is a wasteful proceeding. I say to the Minister of Transport that I feel sure, with his dedication to parliamentary traditions and procedure, there will be no agreement on his part with the views expressed by the Prime Minister to this nation last night.

Mr. Pearson: Mr. Chairman, in view of the fact that the right hon. gentleman has in this discussion of the estimates of the Department of Transport put on record certain sentences that I undoubtedly said last night, perhaps he would let me put on record one sentence which he carefully omitted. That was, "It is going to be difficult to reconcile the two things"—by the "two things" I meant executive decision and parliamentary discussion —"because parliamentary discussion is still, rightly, a very important part of our political lives".

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Oh, yes, Mr. Chairman, a very important part. But the Prime Minister says it is such an important part that he feels we ought to give consideration to the adoption of the American system.

Mr. Pickersgill: He never said that.

Mr. Diefenbaker: I have read every line of the Prime Minister's remarks. If the Prime Minister wants to table the whole thing I would be very glad if he would do so. However, I read every word of his explanation on page 2, every word from the beginning to the end. The Prime Minister has added, "It is going to be difficult to reconcile the two things because parliamentary discussion is still, rightly, a very important part of our political lives". It is not only a very important part but it is essential to the preservation of democracy and the maintenance of the parliamentary tradition. That is how important it is.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I shall make reference to that on another occasion. I know the Prime Minister has an appointment today, and I am

not going to say any more except that this doctrine is the doctrine of those who would control parliament, who would permit themselves to be considered as being set apart, and it is a denial indeed of the whole principle of parliamentary discussion.

Mr. Pearson: Mr. Chairman, may I ask the right hon. gentleman a question? He said a moment ago that I had indicated that we should adopt a congressional system. Where did the right hon. gentleman find that in the text of what I said.?

Mr. Diefenbaker: If it was not to be adopted, Mr. Chairman, why was it talked about?

Some hon. Members: Oh, oh.

Mr. Diefenbaker: The Prime Minister can laugh. This is the way all these things have started on the part of this government. The Prime Minister has asked me what is wrong with talking about it. I know the progress that has been made on this first anniversary of the flag. First the Young Liberals said we should have a new flag without the Union Jack thereon.

An hon. Member: Hear, hear.

Mr. Diefenbaker: There is one applauder, Mr. Chairman.

An hon. Member: It is your flag too.

Mr. Diefenbaker: Then the next step was a recommendation by the Young Liberals as to what should be done. On Friday and Saturday last the discussion culminated around the step that has been spoken about often by the hon. member for Lotbinière. There was discussion whether the time has not come to abolish the Queen in her capacity as Queen of Canada.

Some hon. Members: Shame.

Mr. Diefenbaker: That is the way these things start.

Mr. Pearson: So we must not talk about it.

Mr. Diefenbaker: Oh, Mr. Chairman, I am sure the Prime Minister was pleased with that resolution.

The Deputy Chairman: Order, please. I regret to interrupt the Leader of the Opposition but at this time we are discussing the estimates of the Department of Transport.

Some hon. Members: Hear, hear.

The Deputy Chairman: We have heard different expressions of opinion on the work of parliament and I think we should return to the discussion of the estimates of the Department of Transport.

[Mr. Diefenbaker.]

Mr. Diefenbaker: Mr. Chairman, I am always one of those who want to conform.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: It was only under the provocation of questioning that I raised this matter. If it had not been for the Prime Minister stepping in and saying what he did say I would not have raised this subject. Of course, I did not mean to do so; all I wanted to do was to point to the interpretation apparently to be placed on such remarks.

Mr. Pearson: Mr. Chairman, in view of the fact that the right hon. gentleman has begun discussing this subject perhaps you would give him a little leeway in order that he may say a word or two about the recognition of our national flag on this first anniversary of its acceptance.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: If I did, Mr. Chairman, my remarks would certainly not qualify under a discussion of the estimates of the Department of Transport, although they might carry me a long way. However, I was dealing with the interesting way in which these things are brought about, first by laying a foundation such as the Prime Minister did last night and then ultimately these things that are simply loose, idle and fragmentary words become basic principles. What was said last night reveals that the Prime Minister's attitude is that we are too prone to examine, that we should not have government required to answer but should follow the American system whereby the executive branch is removed from the legislative and is able, as the Prime Minister said, to carry on for four years regardless of what it does.

I think you will agree, Mr. Chairman, that the examination of these estimates has been very careful. The scrutiny of the estimates of the Department of Transport has been of a general nature but very helpful. Many suggestions have been made. We want now to go to another department but there is one thing I emphasize, namely, that we have not forgotten channel 3. I shall return to that matter in order to secure answers from the Minister of Transport who is usually able to give full, complete, even though unsatisfactory, answers to questions that are put.

I start with something with which I think the minister will agree. I am not certain that the matter comes entirely within his jurisdiction. As a matter of fact, it is both federal and provincial. I refer to the need of a national effort, led by federal and provincial

representatives, to reduce the massive highway homicide in our country. We read from day to day of the losses of the American forces in South Viet Nam.

Mr. Pickersgill: Mr. Chairman, perhaps I might raise a point of order. The right hon. gentleman wants us to uphold parliamentary traditions and one of our parliamentary traditions is that in committee of supply observations should be related to the administrative responsibility of the minister. I have absolutely no administrative responsibilities whatsoever with regard to the subject to which the right hon. gentleman is now referring.

Mr. Starr: No wonder you have taken five days for your estimates.

Mr. Diefenbaker: I am going to ask for some leadership on the part of the hon. gentleman in his capacity as Minister of Transport.

Mr. Pickersgill: Mr. Chairman, the hon. gentleman says he is going to ask for some leadership. I am going to try to give it right away. The first bit of leadership I would give is to suggest to the right hon. gentleman that ministers of the Crown who are answerable to the house should not usurp the functions of others and should carry out the responsibilities entrusted to them. I would point out that neither in the statutes nor in the conventions of this parliament has the Minister of Transport been entrusted with any responsibility for any aspect of highway traffic except for the licensing of interprovincial trucking.

• (4:20 p.m.)

As the right hon. gentleman knows, because he was in parliament at the time and I do not believe I was, this matter was entrusted by parliament to certain provincial agencies by statute. Therefore there is no part of my administrative responsibility that touches on this subject at all. It may be that there are some aspects of it for which some other ministers have responsibility. However, after listening to the eloquent defence by the right hon. gentleman of the rights of parliament, I believe it would be a good idea to respect the rules of parliament.

Mr. Diefenbaker: I understand the susceptibilities of the hon. gentleman—

Mr. Pickersgill: I am not susceptible at all.

Mr. Diefenbaker: He is very susceptible.

Mr. Pickersgill: Just to the charms of the right hon. gentleman.

Mr. Diefenbaker: I am trying to be cooperative and bring a matter before parliament that affects this nation. I am not going to be dissuaded by the petty arguments that are being advanced.

Mr. Pickersgill: Mr. Chairman, I rose on a point of order. If the right hon. gentleman, who after all was once prime minister of this country and had the main responsibility for the preservation of order in the house, thinks that order in the house and the application of the rules are a petty matter, and if the house wants to agree with him, I will desist. The right hon. gentleman has always considered that he makes the rules for himself and the rest of the house should abide by whatever rules he makes for himself.

Mr. Diefenbaker: I am not going to answer in that spirit. I believe in the rules and I have always followed them.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I have not tried to do that which this government has tried to do by graduated means, to shut the mouths and lips of the opposition. This has been characteristic of the hon. gentleman and all those with civil service experience sitting opposite.

In the best of good spirits, I want to advance something on behalf of this nation and ask for leadership by the Minister of Transport. It is apparent, however, that I am going to sow seeds on rocky soil. I was pointing out that I should like to see the minister give a lead so far as interprovincial transportation is concerned. This matter was declared to be within the jurisdiction of the federal parliament and by agreement it was sublet to the provinces. I want to bring out the need for action no matter where it comes from but I say it must come from here. This government convenes meetings regularly with the provinces on other matters that are primarily within provincial jurisdiction. They have not been above doing that. This government has convened conference after conference on matters primarily of provincial concern.

The point I want to bring before the committee is not one which you would expect to have the provocative effect that has been apparent. I suggest the convening of a conference by the federal Department of Transport—because there is no other department with the same facilities—to bring together the provinces to do something to meet what is taking place in this nation in ever-increasing

measure. In ten years 35,031 persons have been killed and 949,000 have been injured in automobile accidents. The number of traffic deaths is increasing year by year. By 1964, the latest year for which figures are available, traffic injuries had increased from 2,586 to 4,655 persons per hundred thousand over a ten year period and traffic accidents increased to the extent that there has been an economic loss of $3,200,000.

To translate these terrible statistics into understandable form, they mean that there is one traffic accident in Canada every 90 seconds, one person injured every four minutes and one person killed every two hours. The toll is mounting. I see that this matter was discussed in the British House of Commons last year. It was pointed out that unless action was taken 1 per cent of the population would suffer death or injury every year in consequence of automobile accidents.

We have the Canadian Highway Safety Council. We have seen the commendable efforts of the hon. member for Brome-Missisquoi who has conducted a one-man crusade. The Canadian Highway Safety Council has done much. There is also a contribution made by all governments. The hon. gentleman says he is not concerned. Well, there is a federal contribution about which he apparently knew nothing. The Canadian Highway Safety Council receives contributions for 62 per cent of its budget from industry and 38 per cent from governments. He says this is no concern of the federal government. The federal government provides an equal share of the 38 per cent in order to bring about in this nation the reduction or elimination of the traffic accidents.

I ask for action on a national basis to bring about a national conference on highway safety. I should like to see a high level national meeting convened by the Department of Transport with representatives of federal and provincial governments, industry and national organizations, with a view to setting up a national action council to cope with this most serious toll on our highways. The minister says the federal parliament has no responsibility.

Mr. Pickersgill: Mr. Chairman, I know the right hon. gentleman—

Mr. Diefenbaker: If the hon. gentleman will allow me—

Mr. Pickersgill: I just wanted to make a factual correction. I do not think the right hon. gentleman wants to misrepresent what I said. I said it was not part of my administrative responsibility. I think it is of the utmost concern to every Canadian.

Mr. Diefenbaker: It is often said, Mr. Chairman, that a speech in parliament has no influence but the sudden conversion of the minister shows that the contrary is true.

Mr. Pickersgill: I just like to keep the record straight.

• (4:30 p.m.)

Mr. Diefenbaker: I am not going to belabour the subject. I ask him to do something to meet a problem that is mounting in seriousness, a problem that merits the consideration of all Canadians. It is stated in the London *Times* of February 12 that in the United States in 1964 the number killed totalled 49,000 and 2,000,000 were injured. Yet in the Viet Nam war last year the total number of United States dead was 1,100. This is something that I impress on the minister. I ask him to do something and do it immediately to bring together the provinces so that a decision may be made on a course that will be helpful and beneficial.

The first thing which could be done before a conference is called is to provide for greater assistance to the Canadian Highways Safety Council, composed of men who devote themselves to public service and who are kept from doing everything they might be able to do because of the lack of finances. When we find ourselves this year spending extra billions of dollars we should be able to provide an amount to the Highway Safety Council which would give them new opportunities, through research and otherwise, to help reduce these terrible losses.

Now I come to another matter, which has to do with transportation. I am not going to repeat the arguments that have been advanced and strongly advanced against closures of railway facilities and the reduction of available facilities. A problem faced by every nation today in the western world is that of trying to maintain a transportation system while meeting the changes that research requires and demands. I suggest the setting up in the federal Department of Transport of a division of research and development. I believe this is necessary if we are to have an efficient high speed ground transportation system, which is most vitally needed for our national economy. I think provision should be made for research by private firms as well. Such a research and development division would discover in what way,

by new technology, forms and concepts, ground transportation might be made economic and attractive.

The research and development authority which I suggest should have the right to enter into contracts with private firms relating to demonstration of high speed ground transportation and to contribute to the development of more efficient and economic systems. These demonstrations should be designed to measure and evaluate such factors as public response to new equipment, high speed improvement in convenience, improvement in shipments of less than carload lots, freight handling, and more frequent services for both passengers and freight. Somewhat similar legislation has been introduced in the United States. That legislation provides for $90 million to be made available for research. The legislation in the United States has the support of all railway brotherhoods in the transportation field.

I feel that something similar should be done within our own country. What course are we going to follow? When we were in office we were criticized for supporting the building of the Pine Point railroad. Indeed, it was described almost by the words that were used in 1878 regarding the C.P.R., that all you would have after construction was completed would be two rails of rust on a roadbed of uncertainty. It has turned out wonderfully well. Yet we were condemned by those who sit opposite when we provided the guarantees in this connection. I am putting this forward as a suggestion. I think I could even quote the hon. gentleman, if he insisted on my doing so—

Mr. Pickersgill: On the Pine Point railway?

Mr. Diefenbaker: —as to some of his criticism in that regard. Has the time not come when the national government should build railway lines or provide the necessary finances to build lines into inaccessible areas for development purposes and lease them back to the railways? In that way the government of Canada would eventually recover the capital outlay and the railway companies would not be immediately saddled with additional heavy capital expenditures. Such transportation so provided and the shortening of travel time between major points, particularly in the more heavily populated areas of Ontario and Quebec, would be beneficial to all Canadians. Should we nationally provide the capital for the building of high speed lines between populous areas? These are matters that will have to be considered.

However, I would ask the minister directly whether or not the government will give consideration to the setting up of a research and development branch along the lines I have indicated, the purpose of which would be the making of recommendations concerning high speed railway transportation and other transportation problems.

A committee should be set up to give to this new division or sector of the department the views of those directly or indirectly affected.

I should like to see on that committee a representative from each of the railway transportation unions as well as representatives from other interested bodies. I think we are living in a period when the transportation system which has been in existence for the last 75 or 80 years will have to be materially changed to meet the conditions of today. I therefore advance as a suggestion the forming of a committee along the lines indicated and the setting up of a research and development section in the department to this end.

I now come to the third and last matter I want to deal with today and I raise it because I think it is necessary to come back to it. It revolves around channel 3. When you review everything that the minister has said, verbose as he is, I can find no answer to the misgivings of various members in connection therewith. What is apparently contemplated by Mr. Snelgrove and his associates is of such a barefaced nature that it ought not be condoned, much less accepted, by parliament or the cabinet.

• (4:40 p.m.)

I want to find out from him what he intends to do. He says there is going to be an inquiry or investigation by the Board of Broadcast Governors and that it will be an open one. However, at the present time the B.B.G. is an emasculated caricature of the body we set up. There is a chairman but so far as the other senior appointments are concerned they have not yet been made. Why is this, Mr. Chairman? I was surprised when the minister, once having lived and indeed having had his beginning in the province of Manitoba, saw fit not to renew the term of office of Mr. Carlyle Allison. I find that difficult to understand because here was a man who devoted himself to public service. I would emphasize that when the Conservative government was in office we renewed the

appointments of the Canadian National directors. We did not regard political faith as being the paramount qualification for appointment or continuance in office. I was very surprised that a man such as Carlyle Allison should have been given such cavalier treatment. He was a man who understood the business. He had been in it for quite a number of years. Now he has gone. Today there is a vacancy.

Since this government came into office the recommendations of the B.B.G. have not always been followed. We in the previous Conservative government followed their recommendations whatever they were. Therefore I say to the minister: What are his views on this application? The minister endeavoured to evade the whole matter by saying that he, in his shining armour of Canadianism, was doing his part to preserve channel 3 for Canada. Channel 3, Mr. Chairman, cannot go to the United States. The statement by the minister was simply a red herring designed to cover up—

Mr. Pickersgill: The right hon. gentleman will find nowhere in anything I said any statement that channel 3 could go to the United States.

Mr. Diefenbaker: I see.

Mr. Pickersgill: I said that it could be lost to Canada. I did not say it could be lost to the United States.

Mr. Diefenbaker: That is not my exact recollection.

Mr. Pickersgill: Perhaps the right hon. gentleman would let me finish.

Mr. Diefenbaker: Mr. Chairman, I have got the floor.

Mr. Pickersgill: Yes. I apologize to the right hon. gentleman.

The Chairman: Order, please.

Mr. Pickersgill: I apologize to the right hon. gentleman. I know how allergic he is to facts.

Mr. Diefenbaker: I certainly am allergic to the subterfuges posing as facts that come from the hon. gentleman. I am allergic to that. I know his capacity with words and I say to him that if he did not use the actual words I attributed to him he left the impression that channel 3 might be lost to the United States. I, for one, want to see that what is Canada's remains Canada's. The United States should not get channel 3.

Mr. Pickersgill: I never said that.

[Mr. Diefenbaker.]

Mr Diefenbaker: I see. That excuse goes by the board. In 1952 an international agreement was reached between Canada and the United States covering the allotment of television channels. I ask the minister this: Has the minister already secured from the Federal Communications Commission in Washington its consent to channel 3 being disposed of to Snelgrove and associates? Has the minister been in communication with the F.C.C.? I should like some information on that. I have a file on the matter but I want to find out what the minister is going to do in this regard. Has he not in the course of this debate come to the conclusion that all is not well in this field? Surely he has, if he is not allergic to facts.

I submit, Mr. Chairman, that this is nothing but an endeavour on the part of Snelgrove and his associates to secure their reward for the contributions that they made from September on in particular. I ask: What is the view of the minister as to the award of this channel to Mr. Snelgrove and his associates? The minister has shown every sign of not being affected at all by it. Is he, after all, allergic to facts? Is that his position? Why does he not come before the house and make clear, after listening to all the arguments, what his views are?

Sir, it is all very well to go before the B.B.G but suppose the B.B.G. decides that it is in favour of this application. Is the government going to approve the recommendation? They did not in other cases. I ask the minister: Why is there any difference in the applications of Snelgrove and his associates?

The hon. member for Cumberland referred to a letter he had received from the Secretary of State. I make no apology for placing it on *Hansard* again. That letter dated January 25, 1966, from the Secretary of State to the hon. member for Cumberland reads in part:

> As you are aware, the Board of Broadcast Governors has not proceeded with such applications at the request of the government while the question of providing alternative television service was under policy study.

The reference to applications is to applications for licences. The letter continues:

> While, as you have noted, the government has now received the recommendations of the Fowler committee on this and other matters, it has not as yet had time to reach a decision.

That was on January 25, 1966. The letter then goes on:

> Until such a policy statement has been worked out and announced, the B.B.G. presumably will continue to maintain its current attitude toward applications for the creation or extension of alternate T.V. service.

Mr. Chairman, why did not the principles enunciated by the Secretary of State on January 25 apply in the Snelgrove case? I should like very much for the minister to give us some information in that connection. The minister's only explanation, which has been interpreted over and over again, was that he said he meant that channel 3 might be taken over by the United States.

Mr. Pickersgill: Not by me.

Mr. Diefenbaker: If channel 3 was not to be filled by a Canadian company, was that not a desperate attempt on his part to cover up the situation where there is no such danger? The minister said that "the United States regulates the use of adjoining channels in the same telecast area", referring to United States stations in the Lake Ontario area using channels 2 and 4.

I ask the minister, why did he place that explanation before the committee entirely without any justification in fact? May I suggest a review of what has taken place in this connection. I am not going back over the fine Italian hand that was revealed here or refer to the manner in which Mr. Snelgrove came to Ottawa, the fact that in Barrie on the day he departed he allegedly made the statement that he was going down to Ottawa to look over things down there and to see that the C.B.C. kept within proper limits in connection with political broadcasts. He came down here and he saw how things were. I want to know why such a departure from the course followed in the past was permitted in this case.

• (4:50 p.m.)

I want to know why there should be such a concentration in the hands of one group. This amounts to one of the most serious situations facing broadcasting today. I see a couple of hon. gentlemen who have just come into parliament for the first time. I have their remarks in this regard. Why should there be such a concentration in the hands of Geoff Stirling, Don Jamieson, Snelgrove and the Waters interests? So far as the Stirling and Jamieson interests are concerned, they have CJON-TV in St. John's, Newfoundland, plus five TV satellites. They have an AM radio station, CJON, in St. John's plus two radio satellites. They have CKWW in Windsor, CKPM in Ottawa and CKGM in Montreal. Where are we heading in this country? I was under the impression that the general course being followed sought to ensure that there should not be such a concentration in the hands of a few in a field so important as telecommunications.

But I continue. Mr. Stirling, Mr. Snelgrove and Mr. Waters have CKVR-TV Barrie, plus three satellites. The Snelgrove interests have CKBB in Barrie and CKCB in Collingwood, the latter today operating as a satellite but to become a full station. The Snelgrove and Waters interests have CKPT in Peterborough, and Waters owns station CHUM, Toronto, CHUM-FM Toronto, CKLC, Kingston, and CKLC-FM, Kingston. Then there are further interests in which they are joined.

Section 118 of the Radio Act states:

> Except with the permission of the Minister (of Transport) given upon the recommendation of the Board of Broadcast Governors, no person shall be licensed to operate more than one station and no license shall be issued to or held by a company owned or controlled by a company holding a license—

What is going to happen here? With this group of Liberal partisans, what chance is there of completely objective reporting and discussion of the news and the problems of Canada? Yet this list is to be added to. I say to the minister that I would expect him to take a strong stand against this sort of thing. Political friends are political friends but this situation cannot be justified by any argument. The hon. gentleman tried by an argument which was specious to pretend that the government of Canada was standing up fearlessly for Canadian rights. But the guide lines would indicate that political considerations were far more important and, indeed, that they are entirely the explanation for what is taking place. After all the arguments which have been advanced, I ask the minister, a man who never hides his views under a bushel: What will his attitude be regarding the award of this plum in the circumstances which have been set out so clearly by those who have preceded me?

During the course of this discussion we have covered many of the problems of the Department of Transport. It is a large, difficult and trying department. Indeed, I sometimes wonder whether what the Prime Minister said yesterday might not also be applied to the Minister of Transport—"I am so busy that I have not got time to think". Now that he has heard the views of members of the committee on this problem and read what has appeared in newspapers not unfavourable to the Liberal government, as he must have done, what is his attitude? Is he not beginning to wonder whether this thing should be

permitted to go further? I have no hesitation in saying that in my opinion there can be no other honest conclusion but that the Snelgrove interests should not be permitted to bring about, in the manner in which they have endeavoured to do so, this agglomeration of power over the thinking of Canadians.

The day this application is granted to these people, if it is granted, the value of the franchise in Barrie for the Snelgrove station will increase, I am told, by at least $3 million. That is a very large political melon to hand to anyone, whatever his political contribution may have been.

Mr. Pickersgill: Mr. Chairman, I think it would probably suit all hon. members if I were to reply briefly to what the right hon. gentleman has said about channel 3. I propose to leave the other matters, if I may, until any other members who wish to speak have spoken. I can then reply on all the other subjects seriatim. But on each occasion when this matter has been brought up I have spoken on it and I think I ought to do so again.

I should like first of all to clear up the point about my "tremendous Canadianism". What I said was—I believe anyone who takes the trouble to look at *Hansard* will find that this is so; I may have said it clumsily, not having the right hon. gentleman's skill with words—that I had been advised that if one of the Buffalo stations on channel 2 or channel 4 had its transmitter tower moved about 25 miles it would then be impossible for channel 3 to serve metropolitan Toronto because it would create too much interference with that Buffalo station.

I believe this. I cannot prove it because I am not an engineer. If, before Canada had indicated that we were considering the possibility of using this channel in metropolitan Toronto, the transmitter of one of these Buffalo stations had been moved, it would then not have been possible to secure this channel and make it available to metropolitan Toronto. It was my opinion that if this was the factual situation it was advisable to do whatever reasonably could be done to see that this channel, no matter who might use it, would be available for Canada provided we could ensure this.

That is all I said. I did not get very excited about it. It seems to me this is a reasonable position to take. It does appear to me that any minister of transport who failed to try to preserve for Canada the maximum number of these channels, particularly for the second largest aggregation of population in Canada and the largest using the English language, would have been derelict in his duty.

• (5:00 p.m.)

For that reason we did take the procedure—I am afraid without prompting I cannot give it the technical name—with the Federal Communications Commission of indicating that this channel might become available for metropolitan Toronto. I believe by doing that we made it difficult at any rate for one of the Buffalo stations to move its transmitter.

Mr. Diefenbaker: When was that communication?

Mr. Pickersgill: It was some time last autumn. I could easily get the precise date. I am not making any secret of this. It was after the matter was brought to my attention by the Snelgrove interests. I do not deny that for one minute.

The second fact is that channel 3 had a licensee. He is Mr. Snelgrove and he had a licence which he got under the previous government. I am not basing anything on that. He did get it though and if he had just sat on this channel in Barrie and made no application to have it transferred nobody could have applied for it in metropolitan Toronto. If he had kept it where it was in Barrie then it could not be applied for in Toronto. That seems to me the most elementary arithmetic.

With regard to the time he did apply I gave the whole timetable or the whole chronology the other day. He submitted two technical briefs to my department, as everyone does before making an application. Then in January he and his associates, in other words, the firm, made their application and that application is still being studied from a technical standpoint in my department. I inquired a couple of days ago and I am told that the technical study will not be completed for at least a week and maybe longer. If it is not technically satisfactory that is the end of it. It will go nowhere. Further, if the applicants choose to withdraw their application then nobody can have channel 3 as long as they have the licence in Barrie. These are the facts. I am trying to make them as simple as possible because there is really nothing mysterious about this at all.

But if this application is sent forward to the B.B.G. then the B.B.G. will have to decide several questions. They will have to

decide, first, whether or not another television channel should be permitted in metropolitan Toronto at the present time. They will have to decide that question before they decide who is going to get it.

The second question they will have to decide, if another channel is to be made available in Toronto, is whether they will agree to a transfer to the same licensee from Barrie. They could easily say: No, we will not; all we will do—if they agree to make the channel available in metropolitan Toronto—is to open it for applications.

We know that one of the most powerful stations and one of the earliest pioneers in broadcasting in this country, CFRB in Toronto, has indicated that it is interested. It has not made a formal application but I told the committee the other day that it had brought the matter before my department and had indicated that, if channel 3 was to be open, it would want to apply. I do not think there is the slightest doubt that if there is a hearing it will intervene.

So far as I can recall it has been invariable with the B.B.G. that once a serious intervener appears at a hearing and indicates he wants to make another application, then the date of the hearing has been postponed in order to permit that other application to be made. So it does not seem to me there is any possibility of this matter being decided except after not only a public hearing but almost certainly interventions at that hearing.

I do not know whether to take seriously the exchange of telegrams I had with Mr. Joel Aldred because I really do not know whether or not one takes him seriously. He did get a licence, the first licence in Toronto. It was in his name. Mr. Bassett was associated with him but they seem to have had a falling out and Mr. Aldred is out of the business. Whether he seriously wants to get back into it I do not know.

Mr. Diefenbaker: I should like to ask one question just for information. The minister says that channel 3 is the exclusive right of the Snelgrove interests?

Mr. Pickersgill: No, no.

Mr. Diefenbaker: Do I misunderstand? I understood the minister to say that only Mr. Snelgrove could get channel 3 and has a right to the use of channel 3. I want to be clear.

Mr. Pickersgill: I am very grateful to the right hon. gentleman for putting that question so clearly, because if I said that it certainly is not correct. They are the licensee of channel 3 at the present time and their licence has not expired. During the period that that licence runs I do not think it could be taken away from them except for cause, and only once in the whole history of broadcasting in this country, and never in the case of television, has a licence been revoked.

Mr. Diefenbaker: There was one in Alberta, I think.

Mr. Pickersgill: In British Columbia. I know, for it provided me with many headaches, but the record of the Snelgrove station in Barrie is such that I have never heard of any ground for revoking their licence.

It is quite clear that channel 3 cannot be used both at Barrie and at some other place near Toronto, because it has to be used in one place or the other. If I am not making myself clear—

Mr. Diefenbaker: I cannot follow it. It is at that point that there seems to be some divergence.

Mr. Pickersgill: If channel 3 continues to be used in Barrie it cannot be used on the edge of metropolitan Toronto because there would be the most hopeless kind of interference. I think this is where there is a great deal of misunderstanding of how this whole matter has come about. As long as the licensees of channel 3 in Barrie just sit on their licence at Barrie and as long as their licence lasts—I do not say they have a right to it indefeasibly or indefinitely, it being a piece of public property—as long as they comply with the law they will have their licence there.

Therefore the only way a process could be started by which this channel could be moved to Toronto would be for those licensees to give up their licence entirely, which I would not expect them or any other licence holder to do, and ask to have it transferred.

Mr. Diefenbaker: And no one else could get it then.

Mr. Pickersgill: That is where the right hon. gentleman keeps going wrong all the time.

Mr. Diefenbaker: Why?

Mr. Pickersgill: Because they have no right to have it transferred. They have a right to exercise it in Barrie but no right to transfer it anywhere else.

Mr. Diefenbaker: If they have the right to this channel 3, how can any other body secure the right in Toronto for that portion of the area encompassed by channel 3?

Mr. Pickersgill: I will try to explain that. You cannot split up channel 3. It is either going to be in Barrie or it is not going to be in Barrie and if it stays in Barrie nobody else can have it. I think we all agree on that. Let us move on to the next step. How then are you going to get channel 3 in Toronto at all? There are two possible ways. One is for them to apply for a transfer. The other would be for them to say: We will take some other channel; we will hand this back to the Crown and let everybody compete for it. That kind of disinterestedness I would hardly expect of them or any other broadcaster, and I do not think the right hon. gentleman would either.

• (5:10 p.m.)

So channel 3 could not be open at this time for anybody unless they applied for a transfer, and the B.B.G. has to make a decision regarding that transfer. The B.B.G. cannot make such a decision unless the Snelgove interests apply for a transfer. Further, the B.B.G. can say: "If this is to be transferred we insist that other applicants should also have the right to apply." If they say that, either the applicant will have to withdraw its application or submit to competition. That is precisely the situation, and it is perfectly open to the board to say either of these things. The board might also say it does not believe the channel should be moved there at all. That is a possibility.

If I have left any doubt in any hon. member's mind I should like very much to clear it up. I am very pleased to submit to questioning on that point before I move to the next point.

Mr. Starr: I should like to ask the minister whether there have been any requests from groups of people or individuals not directly interested in a channel 3 licence at this moment to have the channel transferred to Toronto? What is the purpose of moving channel 3 to Toronto?

Mr. Pickersgill: Quite frankly I do not know the answer to that question, but no group of citizens has come to me and stated that they wanted channel 3 moved to Toronto.

Mr. Diefenbaker: They could not obtain that even if they wanted it. No wonder they have not applied.

Mr. Pickersgill: I do not think the hon. member was talking about an application; he was talking about disinterested citizens making a demand. I do not know of any such demand. All I know is that these applicants have done something that has been done a great many times before. They have applied for permission to move their channel. At almost every hearing of the B.B.G. there are applications heard for the transfer of channels. There is nothing unprecedented about this. When they made their application it became the duty of the Department of Transport to evaluate it and that is what we are doing

Mr. Smith: I think I can speak for the people of Simcoe county when I say that they want channel 3 left where it is. If their interests are considered that is where the channel will remain. The minister spoke a moment ago about the application respecting channel 3 which I believe is related to a counter-application for a broadcasting station on channel 5 located somewhere in Simcoe county. We think that is second best so far as Simcoe county is concerned.

The minister spoke about the distance between two channels. Is it not a fact that in respect of adjoining channels there has to be a 60 mile separation such as between channel 6 in Toronto and the transmitter for channel 5? Is that not a technical requirement? If we in Simcoe county are given channel 5 will the transmitter not have to be moved considerably north, much closer to Muskoka and Parry Sound than it now is? May we have an answer to that question? Does the present application for channel 5 call for the transmitter to be situated somewhere near the hamlet of Warminster near Orillia, which is 20 to 25 miles farther north than the present location of the transmitter.

Mr. Pickersgill: I am afraid the hon. member, as is perhaps understandable, has a more detailed geographical knowledge of Simcoe county than I have but the information I gave the other day is all the information I have in my hand. I have no doubt I can get this other information. I am quite sure that if this application does come before the Board of Broadcast Governors there will be plenty of people from Barrie and Simcoe county who will make very strong representations about the matter. I have no doubt about that whatsoever.

Mr. Smith: I am mainly interested in the technical points concerned in this application.

Mr. Pickersgill: Perhaps before the consideration of my estimates is concluded I will obtain that technical information for the hon. gentleman. However, again this is something

in respect of which I have no competence or right to make a decision. Perhaps the hon. gentleman will realize that, if we come to the conclusion that the application for channel 5 is not technically feasible in that it would not give good service or would interfere with some other channel, it could not be sent forward.

Mr. Diefenbaker: Who do you mean when you say "we"?

Mr. Pickersgill: I refer to the Department of Transport.

Mr. Churchill: That is the royal "we", is it not?

Mr. Smith: Channel 6 is not a United States station.

Mr. Pickersgill: I am only a minister of the Crown.

Mr. Smith: As you are aware, channel 6 is a C.B.C. outlet. We in Simcoe county are not anti-American but what we are interested in is preserving the C.B.C. programs.

Mr. Pickersgill: I understand the hon. gentleman perfectly. I am sure I would feel exactly the same way as he does. If there was any question whatsoever about the service to Barrie and Simcoe county not going to be as good then I would fight like a tiger to make sure the change was not allowed. I do not see why any sensible person would not do that, especially someone representing that area. I do not think for a moment that the Board of Broadcast Governors would permit this channel to be moved if it felt this was going to reduce or make worse the service at Barrie. Certainly if I was a member of the board I would not allow such a move under those circumstances.

Mr. Monteith: Do I understand the minister to say that if there was an application by the proprietors of channel 3—

Mr. Pickersgill: You mean the licensees?

Mr. Monteith: Yes. If there was an application by the licensees of channel 3 for a transfer to Toronto or any place else, would channel 3 automatically be thrown open to other interested parties?

Mr. Pickersgill: No. What I said was that the Board of Broadcast Governors could say: We will not allow you to take it anywhere; we gave you a licence for an operation in Barrie and we will not give you a licence for Toronto.

Mr. Diefenbaker: That would not give anyone else an opportunity.

Mr. Pickersgill: No.

Mr. Diefenbaker: That is the joker.

Mr. Pickersgill: I beg your pardon?

Mr. Diefenbaker: That is the tiger in the tank.

Mr. Pickersgill: All the Board of Broadcast Governors has to say in that case is no if they do not feel that it is proper and in the national interest to allow the move. They might also suggest that they think it would be a good idea to have channel 3 in Toronto but that no one has a vested right to it. The Board of Broadcast Governors might say that they would allow the transfer but also allow competition for it at the same time. In that case it would be up to the applicants either to withdraw their application or submit to competition.

Mr. Churchill: Is channel 5 in use now? How does it happen to become available?

Mr. Pickersgill: I do not think it can be said with certainty, as the hon. member for Simcoe North indicated, that it is available but there is an application to use it in Simcoe county.

Mr. Rynard: By whom?

Mr. Pickersgill: By the same interests. This information was all put on record the other day. This application is being evaluated at the same time as the channel 3 application. The two applications are interlocked because the applicants state that they do not want their application for the transfer of channel 3 to go forward unless the other application is considered to be technically satisfactory. That application has not been evaluated so I cannot say that the channel is available. However, when the applicants made their application they must have had some engineering advice which would indicate that the channel might be available and they would not be wasting their money in making the application.

Mr. Aiken: May I ask the minister a question?

Mr. Pickersgill: Certainly.

Mr. Aiken: Is it possible for the same interests to end up with both channels 3 and 5?

Mr. Pickersgill: Yes, that would be possible, but whether it would be desirable or not is another matter.

Mr. Aiken: Am I mistaken in the belief that two adjacent channels should not be owned by the same interests? I always thought that this was a factor taken into consideration by the B.B.G. in its decisions and that it would not give television licences in respect of adjoining areas to the same individual.

Mr. Pickersgill: The hon. gentleman has just asked a question I intended to answer without its being asked. I have always felt, and as the right hon. gentleman has said I do not hide my views, that in any kind of business it is better to have a number of businesses than just one. I have always felt that a concentration, particularly of the ownership of newspapers, radio stations and television stations, is not in itself desirable. However, the whole history of television in Canada and of radio broadcasting before it has shown that, notwithstanding the pious observations made in a number of speeches and notwithstanding the rather loosely worded regulation which the hon. gentleman quoted in the 25 or 30 years I have watched these things, there has always been multiple ownership in Canada, which has been steadily on the increase.

• (5:20 p.m.)

The Southam interests, for example, own several stations and so do other large newspaper chains. Thomson owns I do not know how many. I think it would be preferable not to have any more multiple ownership than is necessary but I am informed that this is a very difficult and technical business and there are not too many totally independent operators who have been able to go into it and be successful. The Board of Broadcast Governors has always taken the view, I think, that they would never recommend the ownership of two stations in the same place by the same person.

Mr. Smith: Mr. Chairman, I would point out that these will be two stations in the same broadcasting area with the same ownership.

Mr. Pickersgill: If that view was taken by the Board of Broadcast Governors that would be the end of it. But we are now seeking to try to anticipate a decision about an application that may never even get before the board. That is the actual, factual situation. The application is still in the Department of Transport. It is still being studied by the experts and if they say this thing will not work, it cannot be done, it is going to create problems of a technical nature, that will be the end of it.

If the Board of Broadcast Governors says, Notwithstanding the fact—this is the other point I wanted to make—that it may be technically feasible we do not think there should be a third channel in Toronto at this time, that will also be the end of it. I will now deal with the point raised by the right hon. gentleman regarding the point made by the hon. member for Cumberland the other day, which I dealt with as clearly as I could at the time. By "alternate service" I have always understood is meant the provision of a second station, either a C.B.C. station or a private station, where there is a first station. I had never understood "alternate service" to mean the extension of the area covered by the use of satellites and, in fact, it certainly has not been interpreted that way because a good many satellites have been established since the freeze was put on alternate service.

Taking the ordinary meaning of the words, I would not regard as alternate service the provision of a third service somewhere when there was already alternate service. The Board of Broadcast Governors may take an opposite view. However, Mr. Chairman, that has been my understanding of the matter. I do not know whether this covers all the points raised by the right hon. gentleman but I have tried to deal with them as coolly and as factually as I can.

Mr. Coates: Mr. Chairman, would the minister answer one question?

Mr. Pickersgill: Yes, certainly.

Mr. Coates: Could he give the committee some indication when the new appointments to the Board of Broadcast Governors will be made and whether these will be made prior to the consideration of this application, if it is put before the Board of Broadcast Governors, or later?

Mr. Pickersgill: I am really quite embarrassed by this question, Mr. Chairman, because that matter does not fall within my responsibility as Minister of Transport. The Board of Broadcast Governors answers to this house through the Secretary of State. I know some consideration has been given to making these appointments but I think it would be wrong of me to try to forecast what one of my colleagues is going to do in a matter that has not yet been determined.

Mr. Coates: Does the minister not consider that this is a very important matter and something that the house should be informed of as quickly as possible? Certainly the people should know whether the Board of Broadcast Governors as it is now set up under the law will be considering this application.

Mr. Pickersgill: I can say this. I feel that having regard to our parliamentary timetable there is not much prospect of having any fundamental amendments to the Broadcasting Act at a very early date. Therefore we should carry on in the best possible way under the broadcasting legislation we now have, and we certainly are not carrying on in the best possible way unless the permanent positions on the Board of Broadcast Governors are filled.

I hope there will be no undue delay in filling them because I must say I agree—I want to be careful here—with the spirit of the hon. gentleman's inquiry. I do think that in view of the great importance that is attached to this matter—and I understand why people have attached a great deal of importance to this matter—I would not be very happy to have it come before a board that had only one permanent member. I should like to make that point very clear.

Mr. Winkler: We have a list of names for you, Jack.

Mr. Rynard: Mr. Chairman, I should like to ask the minister whether an engineering survey accompanied the application for channel 5.

Mr. Pickersgill: I do not like to answer questions to which I do not personally know the answers. I do not think these applications are accepted without such a survey but I would have to find out.

Mr. Muir (Cape Breton North and Victoria): Such modesty.

Mr. Gilbert: Mr. Chairman, I wonder whether the minister would answer one more short question? I am sure we appreciate the fullness of his answers and his intention to protect the people of Toronto and Barrie, but I should like to know what the minister has to say about this matter. On the assumption that the final decision is to be made by the cabinet, to which the minister will give some direction, how does the minister feel about the two recommendations in the Fowler report, first that restraint should be used with regard to issuing licences for a period of at least five years and, second that the decision with regard to issuing licences should rest in a new authority rather than in cabinet?

Mr. Pickersgill: Mr. Chairman, the hon. gentleman, who spoke in a quite engaging way the other day in the house, has asked me a question that I think, having regard to our parliamentary traditions, it would be very wrong for me to answer. The government of Canada, of which I happen temporarily to be a member—

Some hon. Members: Hear, hear.

Mr. Pickersgill:—under our system of responsible government is considering this matter and for me to express an opinion now would either be a piece of arrogance, because I would be assuming that all my colleagues were puppets and I was deciding the matter, or it would be a piece of foolishness because the decision might very well be the opposite of the one which I would now give off the top of my head. There is a provision in our rules that hypothetical questions should not be asked or answered. This is a hypothetical question so I will plead the rules.

Mr. Herridge: Mr. Chairman, I wish to make a few brief observations and I shall try to remain in order and talk about transportation. The first thing I shall do is make a few observations with respect to the transportation of the minister's present Parliamentary Secretary from the Department of Labour to his present department. I must say I am very pleased that the Parliamentary Secretary is in the house because I have been asked to raise this question by persons who have read a very interesting article which appeared in the press and by others, and I think in fairness to him it is only right that he should be present. We look forward later to his rising and replying to this question. Mr. Gerald Waring in his "Ottawa Report" of recent date had this to say:

> The P.M. also tried to fire Jim Byrne, parliamentary secretary for labour, to make room for another British Columbia M.P., Ron Basford. But Byrne, rock-hard hardrock miner from Trail, refused to be bumped. Either he kept his job, or Pearson needn't count on Jim Byrne's vote in the house. So Byrne has become (parliamentary secretary) to Pickersgill, and Basford still waits in the wings.

• (5:30 p.m.)

This has caused a good deal of interest in the part of the country from which I come and I was asked to raise the point, you see.

Mr. Pickersgill: I wonder if I could ask the hon. gentleman to which of the items in my estimates he relates this extraordinary piece of gossip?

Mr. Herridge: I am speaking of the Minister's Parliamentary Secretary who has a certain responsibility for the administration of the department.

Mr. Pickersgill: I think the hon. gentleman is quite wrong. There is a statute providing for Parliamentary Secretaries and the Parliamentary Secretary is not paid from the estimates of the Department of Transport. The Parliamentary Secretaries are selected and recommended by the Prime Minister, so it would be impudence on my part to express any views on the Prime Minister's decision.

Mr. Herridge: I thank the minister for his explanation. I knew that already. I am raising the matter because it will give the Parliamentary Secretary an opportunity to reply. He is partly responsible for the administration of the department.

From conversations I have had with some of his colleagues on the Liberal side I judge there is a certain amount of substance in this report. I understand he informed some of them of his indignation, of his explosion in front of the Prime Minister and his later elevation. I just want to say, in fairness to the Parliamentary Secretary, that my first question is whether he was angry that he was not on the first published list of Parliamentary Secretaries? I know he will answer this. I was very surprised to hear this, Mr. Chairman, because I have always known the Parliamentary Secretary as a most meek and mild man. In fact, I have a distinct recollection of him turning the other cheek when faced with unprovoked aggression in the hallowed halls of this house last session.

My second question is, did he inform the Prime Minister that he either got the job as Parliamentary Secretary or the Prime Minister could not count on him in the house, that he would sit as an independent and vote accordingly? In fairness to the Parliamentary Secretary and to the house I think we are entitled to know the facts. There are such a lot of rumours about this matter. The members of the press are waiting eagerly to report the Parliamentary Secretary's reply. We are entitled to information about his appointment to a position which might be called near to greatness. I cannot for a moment visualize the Prime Minister surrendering so easily to such a meek and mild gentleman as the hon. member for Kootenay East. I trust he will take the opportunity to explain to the house exactly what happened.

[Mr. Pickersgill.]

I should like to say that in listening to this debate I have noticed that the minister is a very different person from the person he was about this time last year. He has become very subdued, very apologetic and full of explanations.

Mr. Pickersgill: This time last year parliament had not yet met.

Mr. Herridge: I am speaking in approximate terms. Last year I addressed a question to the minister which is found at page 11632 of *Hansard* for February 23, 1965. The question reads as follows:

> Mr. Speaker, I wish to direct a question to the Minister of Transport. It is a question in which a good many Canadians are interested. My question is based on some remarks made last evening by the minister when he was referring to the criticisms made by the hon. member for Halifax with respect to the proposed reduction of passenger service on the Canadian Pacific Railway.
>
> In order that members of the house will not be required to rely entirely on the prognostications of that esteemed member of the press gallery, Mr. Victor Mackie—

A delightful fellow.

> —would the minister inquire of the President of the C.P.R. what its policy is at present with respect to the reduction of passenger services in Canada and report to the house?

The minister's reply was as follows:

> Mr. Speaker, since under the rules of the house ministers are only expected to answer for those bodies which are under their jurisdiction, and since the hon. member is a more eminent member of the house than I, I suggest that he make the inquiry of the C.P.R.

Mr. Pickersgill: I suggest to the hon. gentleman, Mr. Chairman, that we have now had provision made by parliament whereby the hon. gentleman can confront the President of the C.P.R. and ask the question direct.

Mr. Herridge: Quite right, and why did you make that provision. It was made because of the fight put up by members of the opposition parties. I mention this in order to compare the attitude of the minister on his estimates this session with his attitude last session when in his reply he practically indicated that the Canadian Pacific was a private concern, and what could we do about it?

Mr. Monteith: It may be the influence of the Minister of Agriculture.

Mr. Herridge: Yes, I willingly pay tribute to the attitude taken by the Minister of Agriculture. I wish him every success. I can tell him even now, before his estimates come before this committee, that a good many members of the opposition are going to get

right behind the Minister of Agriculture with regard to his criticisms of the Canadian Pacific.

I am not going to speak at any length or repeat the excellent arguments advanced by various members of the opposition parties on this important question. I wish to support wholeheartedly the remarks of those members who have opposed the present policy of the Canadian Pacific in respect of the discontinuance of passenger service, including the "Dominion" and other services. I wish to compliment the hon. member for Kamloops—he is not present now but somebody will tell him about it—upon his effective analysis of the transportation system in Canada today and his support for the arguments which have been put forward by members of this group throughout the years.

The hon. member for Kamloops did not suggest any radical remedy except that which lay within the purview of the Canadian Pacific, a private corporation. Other members of his party suggested more drastic measures. We were very pleased to hear his analysis of the situation. I think he made an excellent speech, and I can see that so far as the member for Kamloops is concerned one could almost quote the hymn, "Almost Persuaded".

We can expect to hear something from the hon. member for Okanagan-Revelstoke on this matter. He is not in the house now. I suppose he got bored with the previous argument. I wish to emphasize the opposition of a great many residents of British Columbia to the withdrawal of the Kettle Valley passenger service. I expect a great deal of support from the Parliamentary Secretary on this question because of his elevation to his present office. Before this service was withdrawn the Chambers of Commerce, labour organizations, farmers organizations, women's organizations and organizations representing all the people in the interior of British Columbia were opposed to the withdrawal of this service. However, it was withdrawn.

I cannot understand why the company is permitted to divide the revenues it receives from freight service from those it receives from passenger service and set up fictitious costs. We know that Kettle Valley is one of the most profitable lines in the Canadian Pacific system. I do not understand why the company is allowed, with regard to the discontinuance of passenger service, to present fictitious costs for the maintenance of track, snow removal and other matters which bear no relationship to the actual service being withdrawn. I trust that the withdrawal of the Kettle Valley passenger service will receive the attention of the committee that is going to examine the officials of the Canadian Pacific. I expect allies from all sides of the house on this question and I am looking forward to a victory in this respect.

I want to deal briefly with the application of the Canadian Pacific for an order to abandon part of its Rossland subdivision between Warfield and Rossland, which I think is about 7.5 miles. Representations were made by various groups, including the Chamber of Commerce of the City of Rossland, the Chairman of the Transportation Committee of the Rossland Chamber of Commerce, and others.

• (5:40 p.m.)

The judgment of the Board of Transport Commissioners granted the C.P.R. the right to discontinue the operation of this 7.5 miles of track and to close its station in Rossland. Here is a city with four to five thousand people situated in my constituency which is not served by the railroad and has no depot within its confines. In any event, the decision has been made.

The Rossland Chamber of Commerce made some excellent suggestions, I think, to the officials of the Board of Transport Commissioners as a result of their experience in presenting evidence to the board, and I am going to read their proposals because I think they should be seriously considered by the minister and by the board. This is a letter which the Rossland Chamber of Commerce wrote to the Mr. H. H. Griffin, Assistant Chief Commissioner of the Board of Transport Commissioners for Canada, Ottawa, dated February 3, 1966

Dear Mr. Griffin:

It is with regret that we received your order No. 119677, authorizing the Canadian Pacific Railway to abandon their trackage from Warfield to Rossland.

However, this letter is written with the thought in mind of assisting future hearings, so that all parties concerned will view the results with understanding, if not with satisfaction.

(1) All exhibits filed re the application should have a glossary, so that anyone reading the documents will understand the terms of reference.

(2) It should definitely be established that the railway company offering a service to a district, should be the organization to document fully the possibilities for business within the districts concerned. The hearing should have a full background knowledge of:

(A) Why the railway line was established.

(B) What the line carried over its history.

(C) Revenue expense picture over the last 10 years.

(D) What steps were taken by the railway to overcome losses to traffic developing on a line.

(E) What studies were made of the area as to future possibilities for rail traffic.

In this case (reference page 5, Mr. Chapman) we now find that incoming chemicals will run about 3 to 1 for outbound shipments, for the treatment of Red Mountain Ore; thus showing Canadian Pacific did not do a study of future traffic for this area. If such a study were done and the results not given to the board, one would assume we did not have a true hearing.

(3) A letter be sent to the districts concerned, before a hearing, outlining terms of reference of the board and what type or types of evidence would be pertinent to the hearing.

I think that is very necessary.

(4) Warehousing being presently served by the railway, who absorbs the costs of moving or dismantling such warehousing? In the case of a business which must close, what compensations can be planned on?

We trust the above suggestions will meet with your boards approval; in regard to No. 4 we would be most interested in hearing your present plans.

I have quoted this letter, which is of some length, because this committee met and reviewed the experience gained from attending hearings before the Board of Transport Commissioners. They wondered what they could do in order to make suggestions which would assist other persons who had to attend hearings and present evidence on behalf of a community, an organization and so on.

I also want briefly to support all of the proposals advanced by various members on all sides of the house to promote labour peace in our transportation industry and to urge that the recommendations of the Freedman report receive very serious consideration by the government. I have read through the report and I think the recommendations are based on very solid ground. I am sure that the Commissioner had in mind the spirit behind the Bill of Rights when he drafted his report. What we urgently need in my opinion is a transportation policy in Canada which will meet the growing demands of the public for efficient and satisfactory service in all fields of transportation. There is no question that the government has not presented any transportation policy to this house to date.

Before concluding I must say I was very interested in the remarks of the Progressive Conservative member for Battle River-Camrose. He quoted Mr. Arnold Platt as follows, as found on page 1163 of *Hansard*:

"Arnold Platt, representing the Farmers Union of Alberta Co-operatives, told the western agricultural conference here January 21 that nationalization of the Canadian Pacific Railway will eventually take place because the C.P.R. hopes it will".

[Mr. Herridge.]

The hon. member went on to say:

I am 100 per cent convinced that that is the C.P.R.'s motive. I am a long way from being a socialist—

That is almost like Premier Bennett; he socializes public enterprise in the name of free enterprise.

—thank heavens, but if that is the game the C.P.R. intends to play in cutting down on service to the Canadian people, then the time has come for the government to take over not only the operations of the railroad but the operations of all its enterprises. If we are going to be given back the goose we also want the golden egg.

I was very interested in this shift in policy on the part of the Progressive Conservatives. Actually the hon. member is endorsing the remarks made later by the hon. member for Winnipeg North Centre urging that not only do we take over the C.P.R. but that we also take over all of the enterprises of the C.P.R. if they fail to recognize their responsibility to the Canadian people.

Mr. Knowles: We are all socialists now.

Mr. Herridge: Obviously we are all socialists of one sort or another.

As against that, Mr. Chairman, I wish to quote the remarks of the hon. member for Winnipeg North Centre. As reported at page 1204 of *Hansard* he said:

Instead of our just repeating these charges, instead of our just recounting this indictment against the C.P.R. over and over again, we should lay down a basic principle, and I think the basic principle which the government should accept and should use is this: It should say to the C.P.R. that either it must provide the railway services that the country needs, the services that it is under contract to provide, and charge any losses on those railway services against the profits of its other operations, or it should turn the whole of its operations over to the government of this country to be run as a public enterprise.

Mr. Knowles: Hear, hear.

Mr. Herridge: Then I notice that there were some cries of "hear, hear" from members in various seats in the house, including some members of the Progressive Conservative party. I was very pleased to see this and to realize what an influence this small group is having on the Progressive Conservative party which sits to our right.

Mr. Muir (Cape Breton North and Victoria): We were carried away.

Mr. Herridge: Doubtless due to the changing circumstances in Canada and their realization of the mood of the public at this time, some of those members are willing to socialize all the enterprises of the C.P.R. and to join hands with the New Democratic Party in

basing our transportation system on a sound policy. I congratulate them.

I do not know whether I am out of order but very briefly I wish to support the employees of the C.P.R. in their representations in connection with their pension plan and their protest against the unilateral action on the part of the C.P.R. in implementing changes in the pension plan. I have before me a letter from the Brotherhood of Locomotive Engineers, Division 1579, Nelson, British Columbia. I am not going to speak at any length on this matter except to say that we wholeheartedly support the attitude of these railroad employees and trust that the government will listen to the appeals being made on the Opposition side of the house.

• (5:50 p.m.)

Finally, Mr. Chairman, let me say that I trust that this lengthy debate on the minister's estimates, lengthy because very important matters are involved and because there are many members who want to bring certain local problems to his attention, will move the minister to take effective action as the result of the protests and constructive proposals made by members on both sides of the house. I trust and hope he realizes that in making these protests and proposals they are speaking for the people of Canada. I resume my seat, Mr. Chairman, looking forward to the reply of the hon. member for Kootenay East to my comments on his appointment to near greatness.

Mr. Byrne: Mr. Chairman, the hon. member for Kootenay West indulged this afternoon in tactics which he used in my riding throughout the election campaign—

Mr. Herridge: Oh, no. Not I.

Mr. Byrne: —tactics by which he attempted to smear. Those tactics were not successful.

Mr. Herridge: It was a pretty close run.

Mr. Byrne: They were very unsuccessful, I might add. The hon. member referred to an article written by what I term a fiction writer from the press gallery. He is a writer perhaps in the same category as a former member of the New Democratic Party. I classify them both as fiction writers and not as reporters. I am not aware where, Mr. Waring obtained the so-called facts—I should say fiction—that he wrote respecting my appointment as Parliamentary Secretary to the Minister of Transport. This I do know, that from the outset the Prime Minister suggested any one of three important departments, including the Department of Transport. I felt I should accept the Department of Transport appointment as the one in which I could be of most help. The hon. member for Kootenay West, I think—

Mr. Herridge: Are we looking for help in the Kettle Valley?

Mr. Byrne: —wishes to see that his airport is retained.

Mr. Herridge: That has been completed.

Mr. Byrne: I am sure that he is concerned with transportation in every way.

Mr. Herridge: Quite so. That has all been done.

Mr. Byrne: I am sure that what the hon. member is concerned about is the fact that I was the subject of a very laudatory editorial in a newspaper in his riding. I refer to the Castlegar *News* of Wednesday, January 26, 1966.

Mr. Herridge: Is this news?

Mr. Byrne: I am sure the hon. member will bear with me for a few moments and let me reply to some of the critical remarks he has made about myself. The Castlegar *News* had this to say about my appointment:

> Residents of the West Kootenay federal riding will join with their neighbours in the East Kootenay federal riding this week to offer congratulations to Jim Byrne, Member of Parliament for Kootenay East who has been appointed parliamentary secretary to Transport Minister Jack Pickersgill.
>
> Residents in the Castlegar-Kinnaird-Nelson area of the West Kootenay riding have particular reason to be pleased with Mr. Byrne's appointment for he has proved himself a strong friend of the Castlegar airport and is known to favour retention of the present Castlegar and Cranbrook airports and to be opposed to the consolidation of these facilities at Creston.

It goes on in a rather laudatory manner throughout.

Some hon. Members: Oh, oh.

Mr. Churchill: I rise on a point of order. What purpose is being served by this self-laudatory explanation by the hon. member so far as the passing of the estimates of the Department of Transport is concerned? Earlier today the minister suggested that we should deal directly with the estimates of the department and I support the minister in this. I think we should do that right now.

The Chairman: Order, please. I might say that the Chair has been somewhat concerned not only about the answer but also about the question. Since the question came from one end of the Kootenays perhaps we will allow

the hon. member from the other end to answer.

Mr. Herridge: Absolutely.

Mr. Byrne: I find it very difficult to understand the attitude of the hon. member for Winnipeg South at this moment in view of the fact that he allowed the Leader of the Opposition to be out of order in this regard for about 15 to 20 minutes this afternoon. The Leader of the Opposition was speaking on matters which had no connection with the Department of Transport. I think I have said sufficient to answer the hon. member for Kootenay West. If there are other questions which he wishes to raise on the items of the estimates, I will be pleased to be of assistance to him.

Mr. Herridge: Mr. Chairman, I wish to congratulate the Parliamentary Secretary to the Minister of Transport for his magnificent defence of an impossible position. I can judge from his remarks that anything we have been told from the Liberal side of the house is completely untrue.

The Chairman: Order, please. This might be a good time for the committee to return to the estimates of the Department of Transport. Shall item 1 carry?

[*Translation*]

Mr. Caouette: Mr. Chairman, since it is six o'clock and we must now proceed to the consideration of private members' business, may I call it six o'clock?

[*English*]

The Chairman: Does the committee care to call it six o'clock?

Some hon. Members: Agreed.

The Chairman: In order that the house may proceed to the consideration of private members' business, pursuant to section 3 of standing order 15 it is my duty to leave the chair.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Deputy Speaker: It is my duty, in conformity with standing order 39A, to inform the house that the following questions will be discussed on the adjournment motion tonight: The hon. member for Sherbrooke (Mr. Allard), the Constitution—request to set up constitutional court; the hon. member for Rosedale (Mr. Macdonald), Housing—Toronto—community centre facilities for downtown developments; the hon. member for Grey-Bruce (Mr. Winkler), Public Service—printing bureau employees engaged in private printing.

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

EVANGELISTIC TABERNACLE INCORPORATED

Mr. Eric Stefanson (Selkirk) moved the second reading of Bill No. S-7, to incorporate Evangelistic Tabernacle Incorporated. He said: Mr. Speaker, this bill had received second reading when the house adjourned last summer for the recess and when parliament was dissolved it died on the order paper. This is a bill in standard form and is similar to many others which have been passed incorporating other religious bodies. The petitioners are residents of the city of Winnipeg. This religious organization has congregations in Ontario, Saskatchewan and British Columbia as well as Manitoba. It also maintains a missionary in the Philippines. It carries on certain charitable and educational work. The Evangelistic Tabernacle was established first in Canada in 1956. It has affiliations with a similar religious organization in the United States. The scope of its activities has now developed to the point where it must become incorporated if it is to continue to be effective in the spreading of the Christian gospel.

I understand that this bill will be referred to the standing committee on miscellaneous private bills. The representatives of the organization will, of course, appear before the committee if the bill is referred there and will be in a position to provide detailed information to hon. members.

• (6:00 p.m.)

Mr. Frank Howard (Skeena): Mr. Speaker, as indicated by the hon. member for Selkirk (Mr. Stefanson) this is one of those bills which met its demise on the calling of the election. It thus falls into a category shared by a variety of other measures which were before the house at that time. I do not intend to go into that subject at any length because it has been well dealt with on a number of occasions. But I should like to stress, first of all, a thought I have with regard to the general subject matter of private bills of this nature.

These societies or corporations are incorporated by the private bill process because of an inheritance from the British parliamentary system. In the early years almost everything which was done by way of legislation was done by means of private acts or bills. Gradually over the years public bills came to the fore until today they predominate among the items of legislation which parliament has to consider. Nevertheless we still have a few pieces of legislation which are dealt with as private bills, and we have an example before us now.

I am wondering whether we might not be able to work out a different procedure. Without intending any disrespect to the organization now seeking to be incorporated I seriously doubt whether, despite the historical background, it should properly be the business of the parliament of Canada to consume its time and energy considering bills of this kind, in the present instance the incorporation of Evangelistic Tabernacle Incorporated. I say this, as I have mentioned, with no disrespect to the organization itself but in a general way since this is one of a number of similar bills which undoubtedly we shall be considering in the future.

I note that other organizations and groups wishing to become incorporated for the purpose of advancing their philosophy, religion or ideology as well as for the purpose of dealing in real property and the like, as this body also seeks to do, can accomplish their purpose by incorporation under various provincial acts.

Some years ago the International Woodworkers of America, a union to which I belong, found that because it was not considered a legal entity as such it could not hold real property. We found we had to incorporate a holding society under the Societies Act of British Columbia in order to possess certain property, in that instance a boat which we owned. Other unions encountered the same difficulty in connection with halls, buildings and real estate generally. Perhaps we should be considering another method of incorporating groups and societies such as the one whose application is now before us. Eventually I should like to see the point reached when parliament would not have to consume its time dealing with private measures such as these. Certainly companies formed to conduct business operations of the greatest magnitude can be incorporated under the general law the Companies Act, or its counterpart in the various provinces. Parliament concerns itself in this field only with the general applicability of the law, setting certain standards and general requirements which each company must meet before it can go into business. A similar procedure is followed with regard to special types of companies, for example, trust companies, mortgage and loan companies and the like.

I advance this as a general thought. I know it is not possible to do anything along these lines at the present moment. We have this bill before us and we have to take action with respect to it. I am sure the action the house will take will be precisely the same as was taken last session. The bill will be given second reading and go to the appropriate committee for examination in circumstances where its sponsors and others may appear as witnesses. Then the bill will be presented to us again in the normal course. However, if Your Honour is reconstituting the committee on procedure I suggest that this matter might be taken into consideration and that a study of the rules might be made with respect to private bills so as to permit such measures to be dealt with in another way.

Evangelistic Tabernacle Incorporated asserts that its objects are seven in number. The first is to promote and advance the Christian faith and doctrine and to extend the Christian faith in all lawful ways. It seeks to establish and conduct missions and to operate missions, seminaries, schools, colleges, hospitals, dispensaries and orphanages, together with homes for the aged and other institutions for religious and educational purposes. In short, it seeks to interest itself in the field of social welfare—I use the phrase loosely—because this is what we are concerned about when we talk in terms of homes for the aged, orphanages and the like. We are concerned with social justice and our responsibility for society.

The Evangelistic Tabernacle seeks to advance these ideals and aims. It also wishes to promote the erection and purchase of houses of worship and, naturally, to administer the property and business of the corporation. It seeks also to engage in the publishing business for the purpose of printing and distributing literature, gospel literature it is called, designed to promote and advance the ideology and doctrines of the corporation. Finally, it seeks to promote generally the spiritual welfare of all its members.

Private Bills

• (6:10 p.m.)

I assume that these objectives are similar to, if not identical with, the objectives of related types of organizations whose applications for incorporation have been before parliament in the past. I think it might be well at this juncture to go back to my first point and ask ourselves whether we should not have some general statute setting out the requirements to be met by organizations such as Evangelistic Tabernacle when bringing forward applications for incorporation in the same way as we now have general laws such as the Companies Act which set out certain basic requirements in the fields which they cover. If we set out general standards for any group that seeks to be incorporated, we will establish the objects and purposes for which they may become incorporated and parliament will be dealing with one single statute establishing the criteria to be met by groups seeking to be incorporated similar to the one currently before us.

I do not know whether there is any great departure from comparable provisions in bills of like nature but it is interesting to note that there is extensive reference, ranging through six clauses of the bill before us, to the question of real property in all its aspects, dealing with holding, receiving, possessing, selling, buying, mortgaging, and the doing of all sorts of other things with respect to real property. It seems to me, therefore, that the preponderance of wording in the bill is taken up with the question of the activities of this corporation so far as real estate is concerned.

This may be standard practice. It may be necessary to set out, in all the details contained here the authority of the corporation so far as real property is concerned, but I do say there is an undue amount of consideration given to that particular question.

There is one part of the bill, clause 15, which deals with the related question of borrowing money, accepting promissory notes, issuing debentures, mortgages, pledges and so on on real and personal property of the company as well as the selling of bonds and generally giving authority to deal in the field of money so far as borrowings are concerned. That too may be a standard provision in bills of a similar nature, but I submit again that if it is standard it is something that could be set out in a general public law permitting groups of this sort simply to go through the process of incorporating as companies do under the Companies Act or as trust companies do under specific legislation. Parliament then would not thereafter have to take its time in concerning itself with matters of this sort, important as they might be.

I think it is a fact that this bill will engage the attention of just a few members of parliament. We found in the past that the only people generally interested and concerned, about such matters were the sponsor and the members of the standing committee who happened to be in attendance at the time a particular bill was considered. The hon. member for Danforth (Mr. Scott) says that would be the full committee. Possibly he goes to different committees than I attend for I have never yet been at a committee meeting which had a full attendance of members.

Generally speaking only a few members of parliament concern themselves with matters of this sort. I venture to say that only two or three members of the house, possibly a few more, would be interested in the subject matter of the bill before us. All other members would be sort of vaguely detached from it, having but a general understanding that something had gone on in the house today between the hours of six and seven o'clock that had something to do with the Tabernacle Society. That would be the extent of the knowledge of most members.

I think it is asking too much of parliament to take a great deal of time to deal with a subject matter relating to private individuals which of course is why this is a private bill. Second, the subject matter is one which engages the attention of so few members of parliament. I would much rather see some sort of general statute developed. Undoubtedly it would have to be done after consultation and discussion with the various religious orders in the nation to ensure that such a general law met the desires and purposes of the individual groups. Once we had developed a general law, parliament would not have to concern itself and consume its time in dealing with matters such as are before us at the moment.

Because these things can be so easily misunderstood I reiterate again that I am in no way saying anything against the organization that seeks to be incorporated, its objectives or anything else. I am simply saying that parliament should not concern itself and consume its time with matters like this when with far more efficiency and much more dispatch they could be dealt with in a different fashion.

Mr. Bert Leboe (Cariboo): Mr. Speaker, I rise only for a moment to express a great deal of interest in the remarks that have been made by the hon. member for Skeena (Mr. Howard). There is a great deal of merit in what the hon. member has proposed in connection with this type of bill. The time has come when parliament needs to be relieved of some of the traditional chores in which we find ourselves involved. In fact, I would go a little further in that connection and say that I think we must again review the situation that has arisen in the House of Commons with respect to public bills. We find a tremendous number of these bills on the order paper. They are being reintroduced—

Mr. Speaker: Order. I hesitate to interfere or intervene at this moment, particularly in view of the fact that the hon. member for Skeena was allowed to make rather lengthy remarks about questions which do not relate specifically to the principle of the bill before us, but this is really what we should be considering. This is what should be the subject matter of our debate. As I say, I did allow the hon. member for Skeena to make these remarks thinking they were introductory and that he would finally come to consider the principle of the bill itself. The hon. member for Cariboo now seems to wish to continue in the same vein and convert this debate into one dealing with procedure rather than one dealing with the principle of the incorporation of this particular association. I do not want to cut off the debate entirely, but I would invite the hon. member for Cariboo and other hon. members who will take part in the debate afterwards to try to limit their contributions to the debate to what they should be, that is, to a discussion of the principle of the bill before the house.

Mr. Leboe: Mr. Speaker, I appreciate those remarks and I agree wholeheartedly that the position you have taken is quite correct. I only say at this moment that we would like to see this bill receive second reading and be referred to the standing committee.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I too should like to say a few words about this bill. I want to have regard for your ruling, but even though I agree with it I think that the house is going to have to give some consideration to the remarks made by the hon. member for Skeena (Mr. Howard). I say so because if one looks around the house it will be found from the number of members present that the discussion of this bill does not seem to be generating a great deal of interest, and I think it should. The title and format of the bill—

Mr. Speaker: Order, please. The hon. member for Rosthern on a point of order.

Mr. Nasserden: Mr. Speaker, my point of order is that as I look about the house I see that there are just as many people here now as there usually are during deliberations in the House of Commons.

• (6:20 p.m.)

Mr. Peters: Well, Mr. Speaker, this is no credit to the members of parliament and no credit to the house. We have been discussing estimates of a very serious nature running into millions, yes, billions of dollars. I do not really consider this bill to be in that category. If the hon. member is correct, the degree of disgrace is greater than I had intended. I could go on being out of order by mentioning that I do not like our hours of sitting, which deprive us of an opportunity to have supper. The hon. member was willing to vote for this, but I will not do that.

I feel that we are being asked today to accept a bill about which general remarks should be applicable. This bill appears to have been designed in archaic legalistic terms and does not really mean anything. Perhaps the sponsor is not aware of its legal background, but it seems to have been designed with the sole purpose of putting money into the pockets of lawyers. We do not know whether the Evangelistic Tabernacle Incorporated is a small or large organization, whether it is actually a religious body or a group of individuals associated for other than religious purposes.

On the face of it the bill appears to be the child of some lawyer's mind, particularly in view of the legal hocus-pocus in its format. I am sure that members have not had an opportunity to look at the legalistic rigmaroles contained in this and other similar bills. It is unfortunate that the sponsors did not indicate just what the Evangelistic Tabernacle Incorporated is, or is going to be. It may well be an association to make millions of dollars as a holding organization. It may well be a religious organization having churches in different communities and certain other properties deeded to them. However, in looking at the bill as a member of parliament, because of the way in which it has been drafted I am not aware whether or not it will meet the needs of the corporation. For

these reasons this bill warrants a great deal of consideration by the house.

The hon. member for Skeena (Mr. Howard) and the hon. member for Cariboo (Mr. Leboe) are both experienced members of this house and have dealt with many bills of this kind, for the incorporation of religious bodies. I endorse the remarks of those two hon. gentlemen. It does not appear that we are incorporating a religious body by this bill but rather that we are giving authority to a group of individuals to go into the banking business. The bill would allow this group to purchase, take, have, hold, receive, possess, retain and enjoy properties real or personal. Everything is included in the bill except the interest rate to be allowed, and I suppose if somebody had thought of that it would be included also. The bill does not really say what this church group wishes to do. It seems to be filled with a lot of archaic gobbledegook designed to make lawyers rich rather than to serve the needs of these people.

I realize that the bill will go to the miscellaneous private bills committee. I have been a member of that committee on a number of occasions and I can assure you that the attendance at its meetings, including my own, has not been good. I do not believe we are interested in putting the people named in this bill through a third degree when they appear before us at that committee's meetings. I am sure they do not know what this bill means, or whether it covers their requirements.

The bill itself asks that we incorporate Mr. Bradley, a clergyman, Mr. Wiebe, an optician, Olga Bradley, a housewife, Harvey Schmidt, a clergyman and Mr. Bergen, a machinist, all of the city of Winnipeg, together with other persons and congregations under the name of Evangelistic Tabernacle Incorporated. I am sure these people are as confused about the contents of this bill as members of parliament are who are here in attendance rather than out having their dinner. I am sure I do not have the faintest idea what this bill is about. I have no knowledge of the people involved and can therefore have no opposition or support for them. I cannot help wondering, however, if they are being taken advantage of by others who might have a great interest in this corporation. There are two clergymen petitioning, and the language of this bill must have caused them a great deal of confusion. I am sure that because of its design this bill has cost these individuals four, five or even ten times as much as it should have to bring it before parliament. It has included everything but the kitchen sink.

Mr. Macdonald (Rosedale): That is in clause 7.

Mr. Peters: I am sure that by the terms of this bill these people could set up a finance company, a railroad, or any other kind of operation. Surely the C.B.C was not set up with more safeguards than are provided by this bill for this religious group. The circumstances surrounding the bill should certainly be examined carefully by hon. members who are at all interested. Our parliamentary procedures do not allow us to send the bill back to the other place without destroying it, and I am not prepared to do that, but we could move some amendments necessitating a reconsideration.

Let me assure the sponsor of the bill that we are all in accord with the desires of persons who wish to incorporate bona fide religious organizations to carry out the many laudatory purposes set forth in this bill, such as the establishment and maintenance of missions, seminaries, schools, hospitals and so forth. I am sure we would all agree with the principles of this bill if they were in fact to allow these people to own church property and carry out certain religious activities. Surely if this were a bona fide organization it should be allowed to carry on these activities outside provincial boundaries.

There is another quaint expression contained in the bill to the effect that this corporation will support the doctrine of faith in the organization. I imagine that some of our financial institutions would like this type of clause in their letters of incorporation, and would be wholeheartedly in support of the suggestion that an organization should promote the general welfare of its members.

I am not in a position to read the sections of the bill in the debate on second reading, but I believe that if members take the time to consider it they will find that a great many things have been written in that are not necessary to the operation of such a corporation. In view of this fact we must consider the responsibilities of these individuals to this organization, and we must attempt to find some solutions to the dilemma in which they will find themselves as a result of the passage of the bill. We in this house must give consideration to this application for incorporation because it falls within the category of bills that fall into the category of private legislation, but are public in their application.

An hon. member has been asked to sponsor this bill as a private members' bill. Ironically sometimes when we say a bill is a private bill we mean it is a public bill, while at other times when we say a bill is a public bill we really mean it is designed for private purposes.

• (6:30 p.m.)

So that a member is being asked to sponsor this bill whether or not he is connected with the Evangelistic Tabernacle. Someone has to sponsor it, and we have to go through the preliminary rigamarole that is necessary, and the different procedures, without their really serving the purposes of the Evangelistic Tabernacle community or of members of parliament.

I can think of four or five recent bills which fall into this category. I should like to refer to them, not as being involved in this context but to illustrate my point. There was the bill with regard to the Boy Scouts of Canada. Another time it was the Girl Guides; then the organization which brought together all the doctors in Canada; and there was one in connection with the nursing profession. These were all private members bills and were subject to the same gobbledegook that these bills receive in the Senate because of the archaic procedure we follow.

I endorse the view expressed by the hon. member for Skeena (Mr. Howard) and the hon. member for Cariboo (Mr. Leboe) that we should do something about our procedures in connection with these bills. If it were possible under our rules, I would be prepared to refer this bill back to where it came from, and have some of these clauses removed. When people are asked to make application, the documents sent to them to file with the application are broad enough to cover almost anything from soup to nuts. In this case it may be more broad than that because it covers the spiritual field as well.

I think that to fit into this broad category all kinds of corporations for almost every organization that wishes to be national in scope is completely unreasonable and too expensive, and leads to great difficulty in justifying many of the powers they are given, which they do not want, do not need and will probably never be able to use.

Therefore I suggest there should be some way in which the sponsor could in committee ask for the removal of some of these clauses which will not be useful and in many cases under certain circumstances will turn out to be a liability to the company. I know that my learned colleague from Danforth (Mr. Scott) will not, because he is a lawyer, agree that changes should be made. However, he must be aware of the fact that many people who operate solely in this legislative, linguistic, legalistic field find it very difficult to agree to very simple English being used that would be plainly understood in our modern society by those who come in contact with these bills, but are not of his training.

In my opinion, Mr. Speaker, in the legislative field when the Evangelistic Tabernacle Corporation has to come to Ottawa for national incorporation they should be able to do so in terms of their desire and their need, and when they make their presentation to members of parliament and ask for legislation allowing the incorporation of their company, they should do this only to the extent and degree that the members of their organization wish. For this reason I hope the sponsor of the bill will consider some of the suggestions made and that the house in general, those 30 members who are here at the present time, will take into consideration changing the format by which bills such as Bill No. S-7 are presented to the house.

If there was a way of opposing this bill without showing my disrespect for the intentions and aims of the Evangelistic Tabernacle Society, I should be pleased to do so. However, I hope we shall have an opportunity under other circumstances to repeat this point until the committee of the house sees fit to establish rules that allow a more reasonable interpretation of the wishes of organizations such as the Evangelistic Tabernacle Society.

Mr. Reid Scott (Danforth): Mr. Speaker, I have been moved to enter the discussion on this bill by the evangelical plea of the hon. member for Timiskaming (Mr. Peters) for some form of legalistic enlightenment as to the nature of the bill. The hon. member for Timiskaming is of course a highly respected member of the house, a member of long standing, a member of great tenacity and knowledge, and I am genuinely moved by his desire to have some sort of legal justification for what he calls the legal jargon contained in this bill.

I would not want the record to suggest for a moment that we were in any way opposed to the present bill which has been sent to us from the other place. We are in support of it and are quite happy to have it pass. I suspect

that the hon. member for Timiskaming is actually more interested in the next bill to come before us and that any elaborate discussion of the present one will merely make that much easier the opposition he intends to mount against the next one, which deals with the Interprovincial Pipe Line Company.

Mr. Speaker: Order, please. The hon. member should not impute motives.

Some hon. Members: Oh, oh.

Mr. Scott (Danforth): Mr. Speaker, because I was in the process of sitting down I was not able to hear Your Honour's observation. I wonder whether you would repeat it.

Mr. Speaker: I was suggesting to the hon. member that he should not impute motives.

Mr. Scott (Danforth): Mr. Speaker, I would never impute motives to any hon. member of the house except for the fact that the particular approach of the hon. member for Timiskaming is so well known in the chamber. However, to come back to the bill, before Your Honour rules me out of order, at the risk of incurring your displeasure I wanted to endorse the views of the hon. member for Skeena (Mr. Howard). I realize it is difficult to inject this type of consideration into a discussion of the bill itself. However, having read the bill, and approving of the clauses, I think the hon. member for Skeena has raised a very, very important principle, namely that it is rather silly for the House of Commons to be dealing with this type of bill.

The procedure should be something like that used under the Companies Act, which is of course a statute which lays down the general framework within which particular types of corporations can be set up. It seems to me a gross waste of our time, as well as a gross waste of the public's time and money for us to deal in detail with bills of this type and then send them to committee, have them back in the house and pass them at a later date. In my opinion a general statute ought to be passed empowering the executive to incorporate this kind of enterprise in much the same way as we do with companies and other corporations, rather than going through the long and involved procedure that faces us in this House of Commons in its legislative capacity herein assembled in dealing with this type of matter.

If you look at the bill, Mr. Speaker, you will see it contains no very unusual clauses, in spite of the fears of the hon. member for Timiskaming. You can go through it clause by clause, starting with clause 1 which deals with the corporate name and the incorporation—

[Mr. Scott (Danforth).]

Mr. Speaker: Order, please. The hon. member knows very well that he cannot discuss the bill clause by clause when the house is considering its principle. At the moment we are considering second reading of the bill. The hon. member should try to limit his observations to the principle of the bill. I have not interrupted him until now in his dissertation on the procedural aspects of the bill before us. However, if we were to allow this type of discussion every time a bill came before the house, we might spend the whole hour discussing its procedural implications. This is certainly contrary to the rules.

I realize that I placed myself in a difficult position in allowing the hon. member for Skeena to deal with procedural implications in the first place but, as I said, I hoped he would eventually come to the principle of the bill. The hon. member for Danforth did early in his remarks say that what he was doing was against the practice and rules of the house. I would ask him to bear this in mind as he continues with his remarks.

• (6:40 p.m.)

Mr. Scott (Danforth): Thank you, Mr. Speaker; I am only too happy to bow to your directive in this regard. I was trying to keep my discussion of the bill within the ambit of Your Honour's directions. I am sorry I was not able to do that. I will try to do so throughout the balance of my remarks.

In discussing the bill itself what I was really trying to do was not so much to deal with the clauses, which I realize would not be appropriate on second reading, but merely to observe that in looking at the principle behind the bill it did not seem to me that anything unusual was being requested. I come back to my earlier remarks. I could not really see the point of parliament having to deal with this kind of very general bill incorporating a corporation for a legitimate and laudatory purpose. It seemed a gross misuse of the time of this house.

I agree with Your Honour that if we were to continue in that vein we might use up the whole hour discussing the procedural aspects of this matter. I do believe in all seriousness that while we would not want to use this bill, because of its legitimate, laudatory purposes, as a vehicle to try to convince the house that we should not be burdened with this type of bill, there might be an occasion when we would want to use a bill to emphasize the

point that there should be some general way with which matters of this kind could be dealt much more expeditiously, much more efficiently, than the rather long, cumbersome procedure of a bill coming from the other place, going through a committee, coming back for a third reading and so on. I feel that the people behind this bill have used the correct procedure. I cannot subscribe to the almost defamatory remarks against the legal profession enunciated by the hon. member for Timiskaming (Mr. Peters). I merely rise not to hold up the bill but to make clear that we support the principle and are glad to endorse the bill. We hope it will go to the committee for fast passage. However, we could not let it pass without emphasizing our general objection. I realize you have been most indulgent, Mr. Speaker, but we do object to the general procedure being adopted for the passage of measures of this type.

Motion agreed to, bill read the second time and referred to the Standing Committee on Miscellaneous Private Bills.

INTERPROVINCIAL PIPE LINE COMPANY

Mr. Ian Grant Wahn (St. Paul's) moved the second reading of Bill No. S-10, respecting Interprovincial Pipe Line Company.

He said: Mr. Speaker, in view of the remarks made earlier about legalistic jargon and the desirability of having short bills, I am sure the bill before the house will now receive unanimous approval. I am also sure that members of the house would like me to be equally brief in view of the short period of time which remains during this hour and also in view of the fact this bill has already been debated in the house on two previous occasions.

I will confine myself, Mr. Speaker, simply to saying that the purpose of the bill is as set out in the explanatory notes, to divide each of the 40 million authorized shares of the par value of $5 each in the capital stock of the company into five shares of the par value of $1 each with a total authorized capital of $200 million, which remains unchanged. I also emphasize that the reasons for this stock split are as set out in the explanatory notes and there is no other purpose. The reasons for the stock split proposed are legitimate.

In recent years a number of studies have been made of the reasons for stock splits. If I could take a few moments I should like to refer to two studies. One is entitled, "A study of Stock Splits in the Post-War Years", published in the *Analysts' Journal*. The second is entitled, "Characteristics and Procedures of Common Stock Splits", published in the Harvard Business Review. I should like to quote briefly from these studies.

> The legitimate purpose of a stock split is to reduce the market price of the shares to a level more attractive to the investment public. There appears to be an optimal level of market price—perhaps in the range of $25 and $50 or thereabouts—which avoids on the one hand the stigma of a 'low-priced, ergo, speculative issue, and, on the other, the practical drawback of high-priced shares.

The second quotation is as follows:

> —the exchange (New York Stock Exchange) is officially committed to a policy of keeping individual common stocks at what it considers desirable price levels. In this case, desirable means low or medium priced. The object is to make for orderly trading and to help attract small investors . . . What the Exchange regards as 'the most favourable price level' is in the $18-$25 range.

The present market price of Interprovincial stock is approximately $86 and a five for one stock split will reduce the price to this desirable range. The purpose is not to permit the owners of the stock to unload stock which is highly priced on the unsophisticated investor. The purpose of the split is not to permit the present holders of the stock to make a very large speculative profit. The purposes of the split are as set out in the explanatory notes.

To these brief remarks, Mr. Speaker, I would simply add that this is a Canadian company, the great majority of its shares are owned in Canada and the directors and officers are all Canadian residents and Canadian citizens. I hope that the house will give the bill second reading and refer it to the appropriate committee. At that time any further questions can be answered in much greater detail.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am not sure what I expected from the mover of this bill but I listened with great interest to him. I should like to ask a couple of questions which he may or may not answer. Is he aware, for instance, that this company has already gone through this process on two separate occasions? When the stock was very high they reduced the price but it immediately went up again. They split the stock again to reduce the price but again it went back to the $90 range. When he says the shareholders do not want to unload the stock on an unsuspecting public, this is hogwash. It is not hogwash because that is not a good reason but it is hogwash because I know it has already happened twice.

Private Bills

• (6:50 p.m.)

Let us not kid ourselves. Let us not kid ourselves also about one other simple fact. The New York Stock Exchange does not keep stock at a certain level. They like to group stocks into certain categories but they certainly do not keep them there. The public usually keeps them in these groups and if the stock is a good stock I think it will always reach its proper level.

This company, Mr. Speaker, is an exceptionally good company. I would suggest that if you have $100,000 to put into it you should buy the stock tomorrow because it is a good deal. Some 25 per cent of the capitalization of this company is covered by stock. The rest is in long term, very low interest loans made mainly by Imperial Oil, and if the transmission of oil falls below a certain level Imperial Oil will pick up the tab. These are facts. This is a company which cannot possibly lose money. The more profit it makes the more it can pay off the low cost bonds which represent three quarters of its capital. The other stock carries the remaining quarter and the money flows toward the stockholders of the company. It is a beautiful deal.

I think it was a disgrace that someone should come before us and tell us that the only reason this manipulation was taking place was to help the employees saving plan and so that the employees would be able to buy stock. It was finally admitted that this was a lawyers' gimmick and this was really not the company's intention. It really does not matter whether the employees buy stock at $90 or at a lesser price. If the company wants as many Canadians as possible to buy this stock—I am not aware of what the split is between Canadian and United States ownership of the shares though it really does not matter to the discussion we are having—and if it is true that this stock should be reduced to the $18 level, why not go the whole way and reduce it to $1.80? I think you will agree, Mr. Speaker, that more people are able to buy stock at $1.80 than at $18.

The company will say that this suggestion is unreasonable. But they have already split this stock in a similar way. It has already been split ten to one and the stock is still at $90. If it were split again I suggest that in two years it would be back once more to $90.

A check of a survey made in 1965 of liquid oil and natural gas companies will show that Interprovincial Pipe Line has done very well for itself. A year or so ago I read about some of the advantages this company offered and it would probably be easier to read my remarks in *Hansard* if anyone wishes to do so. The figures I gave at that time were taken from this survey of oils. I gave the amount of shares that had been bought over the years. for itself. A year or so ago I read about some This company declared dividends of $3.40 per share per annum based on the current price of $90. That was as at September 1, 1964. Eighty cents a share was paid quarterly from September 3, 1963, to June 1, 1964 inclusive, bringing the dividend up to $3.40.

This stock has already been split ten for one. That means that an original $50 share in the company would bring a return in dividend of $34 per share I suggest that is not bad. Probably many of the old women in this country who are depending on their nest eggs or blue chips would find Interprovincial Pipe Line a very good investment, and I strongly recommend it to anyone wishing to buy stock.

An hon. Member: How many shares do you have?

Mr. Peters: I have been asked how many shares I have. Although members of parliament have done very well, I have not gone into the stock market to buy and sell Interprovincial Pipe Line stock. If I had a share it would only be to enable me to keep track of shareholders meetings and to have the opportunity of attending them and asking questions first hand. However, I have no shares.

An hon. Member: Perhaps they will make a collection for you.

Mr. Peters: The hon. member suggests that maybe they will take up a collection. If they do, I would be happy to have even one share in my name.

I should like to know what the honest answer is. As the sponsor of the bill has intimated, the matter of stock splitting has been the subject of investigation. There have been two recent ones. I think it behooves some members of parliament who are interested in this field to go to some of the company meetings and find out why the company is asking for this stock split. It seems to me that if a person has enough money to buy a blue chip stock it really would not make much difference if he bought one share at $100 or ten shares at $10. If you are investing money I think the average investor can add up the dividends on ten shares almost as easily as on one. I suggest the $100 a share stock does not really have much advantage over the $10 a share stock if it is held as an investment as a blue chip stock.

On the other hand, I think it is quite obvious that if the stock split takes place and the stock very shortly climbs to its original value, is then resplit and once more climbs to its former value, then in each instance the people who are interested in the stock are not looking at the dividend declared. What they are looking at is the capital gain in the value of the stock. This has been fantastically high in relation to the Interprovincial Pipe Line Company. May I call it seven o'clock, Mr. Speaker, because I wish to pursue this matter further.

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

SUPPLY

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

DEPARTMENT OF TRANSPORT

1. Departmental administration, $4,862,900.

• (7:00 p.m.)

[*Translation*]

Mr. Caouette: Mr. Chairman, I am happy to see the Minister of Transport in his seat, which is normal since we are considering his department's estimates.

Since yesterday hon. members have been taking the minister for a ride all over Canada by Air Canada, or the C.N R., or the C.P.R., or by ship; he was even put on the C.B.C. this afternoon.

Tonight, I intend to take him to an area called northwestern Quebec, which includes the ridings of Chapleau, Villeneuve and Pontiac-Temiscamingue. I will limit my remarks mostly to the two ridings with which we are more directly concerned, those of Chapleau and Villeneuve.

Mr. Chairman, since I have known the minister, it was given to me to meet him personally and to appreciate his broadmindedness. He is a smiling and charming man, ready to welcome you at all times and to agree with you most of the time. On the other hand, I noticed that the department works more slowly than he does and that he himself is slower when it comes to doing things for certain areas.

For instance, a few years ago, I asked for the building of two air terminals, one in Val d'Or and one in Rouyn, in the riding of Villeneuve. What we have now are two miserable looking huts. The minister is well aware of the situation because he came to the area several times by plane and entered those air terminals, which is rather embarrassing for us.

The two air terminals have been allowed to remain in their present state by the present government and by the previous one, that is to say the Conservative government.

Well, Mr. Chairman, a sum of $220,000 was voted for the construction of an air terminal at Val d'Or over a year and a half ago and nothing concrete has been done in that respect as yet.

At Rouyn, apparently because the airport belongs to the city of Rouyn, we are told that the government can help. As a matter of fact, it did help but not enough since the airport at Rouyn serves not only the people of Rouyn but also the people of the neighbouring area and of the section of Chapleau which includes for instance LaSarre, Macamic and all those places. It is an airport which serves not only the city of Rouyn but all the people of that region.

On December 7 last, the minister advised me that officials of his department and representatives of the city of Rouyn had met in December, 1965 to consider the problems connected with the operation of the airport as well as to seek an agreement. The following questions were dealt with:

Extension and improvement of the runway, aids to landing, federal grants for its operation and maintenance of the airport in general.

I believe the question of general maintenance was definitely settled, for the Department of Transport is now responsible for this. On the other hand, the extension of the runway as well as the improvements to it are necessary, and, indeed urgent.

Recently, on a trip from Rouyn to Ottawa by air, the pilot announced in full flight that, unless improvements were made to that runway, aircraft could no longer land in Rouyn.

Now it is time for the minister and his officials to consider the urgency of helping Rouyn, of helping to improve the Rouyn runways.

In my opinion, it is as easy to do in Rouyn what has been done in Val d'Or by the Department of National Defence. I appreciate the fact that they have a nuclear base there. There, they built a real beauty of a runway. If, for war or armament purposes, Val d'Or, can, or is entitled to, have such a runway, why could we not have a similar runway for the needs of the population of Rouyn and of

the area, which would result in a great improvement of Air Canada services in our area?

I have another point to which I would like to call the attention of the minister and of his officials. I refer to Air Canada service between Montreal, Ottawa, Val d'Or and Rouyn. We know that every morning an airplane takes off in Montreal for Val d'Or, Rouyn, Earlton, North Bay and Toronto, via Ottawa, and that at the same time another airplane takes off in Toronto and makes the same trip before ending its flight in Montreal.

Now, in many cases the opportunity to complain was given to me. There are people from Val d'Or-Rouyn who are in Montreal and wish to take a plane in the morning—I think, it leaves at 8.20 a.m. or 8.40 a.m., something like that—but the airplane is overcrowded with passengers for Ottawa. The people from Val d'Or-Rouyn who are in Montreal are refused a seat on the Air Canada plane, because they are told the aircraft is full. That is true. And so, the people from Abitibi are stuck in Montreal because people working in Ottawa have taken all available seats on the plane which, after landing in Ottawa, takes off for Val d'Or, Rouyn, Earlton and North Bay with hardly anyone aboard, or perhaps with only three, four or five passengers, while dozens of people from Abitibi are waiting in Montreal. Their names, of course, have been registered, but no account is taken of the fact that they come from those northern regions.

On this flight—No. 254, I believe, outgoing and No. 261 incoming—the needs of the regions of Abitibi, Chapleau, Villeneuve or northwestern Quebec should first be taken into account and the seats reserved for people going to the farthest places; and, if necessary, another flight should be set up for people going only to Ottawa. Another flight could be provided, but Val d'Or and Rouyn should have the service they deserve.

Mr. Chairman, I have here a resolution of the Chamber of Commerce of Val d'Or-Bourlamaque that Mr. MacGregor of Air Canada received not so very long ago. It is dated February 11, 1966:

We have read your letter of February 8 mentioning your achievements and projects for 1966.

At a regular meeting held on February 9 last, it was suggested that we should ask you for a second daily flight to serve our city and Rouyn, that is, on the Montreal-Val d'Or-Rouyn run, due to the ever-increasing number of air travellers.

We trust that you will take our request into consideration and that we will get a favourable reply.

The Senior Chamber of Commerce.

[Mr. Caouette.]

Incidentally this Chamber of Commerce, I am happy to mention, makes praiseworthy efforts and accomplishes much to help the development of our area. When we ask the Department of Transport to do its part, we are not asking for anything impossible. We only ask to do what is possible and logical to give us the service we are entitled to, a service that would give satisfaction to a population asking the Department of Transport for justice.

Mr. Chairman, I said a moment ago that we need an airport and an air terminal in Rouyn. As far as the Val d'Or airport is concerned, it is apparently only a question of months before work starts and Val d'Or will be given an air terminal costing approximately $220,000.

To my knowledge tenders were not called. We ask that tenders be called for the construction of an air terminal at Rouyn and at Val d'Or.

Another point on which I should like to draw the minister's attention also concerns the subject of aviation. Some time ago, about two years, an air carrier of Senneterre, in Abitibi East, Chapleau county, asked for a licence to serve the people who wanted to travel between Mattagami and Rupert House on James Bay.

At the time, the air transport board ruled against the Senneterre company, following the request or the representations of Austin Airways Limited.

The decision was as follows, that is—

• (7:10 p.m.)

[*English*]

The Board is not satisfied that it would be in the public interest to grant the application.

[*Translation*]

And, as one might expect, the request was refused on the grounds that:

[*English*]

That it has provided service in the James Bay area since 1934.

[*Translation*]

These are the considerations put forward by Austin Airways Limited which were opposed to the Fecteau Transport Company of Senneterre, with branches in Amos, Mattagami, Chibougamau and Gagnonville, getting a license. The reason—

[*English*]

That it has provided service in the James Bay area since 1934.

[*Translation*]

Mr. Chairman, this is a very weak objection and I call the attention of the Minister to it. If nowadays we heard people telling us: Listen, the Canadian National has been in operation since 1876, 1908 or 1911, and in view of the fact that it has rendered great services since its establishment, let us not grant a licence to Air Canada or other air transportation companies who could compete with the Canadian National or Canadian Pacific or any other railway in Canada. We would say: "Listen, you do not move along with progress."

In my opinion, this objection is very, very weak.

As to the second point:

[*English*]

That there is no community of interest between Mattagami and the James Bay area.

[*Translation*]

Austin Airways Limited are lying and they know it, for in 1934 Mattagami did not exist; this city has been in existence for only a few years. Mattagami is located about 120 miles north of Amos, in direct line with Rupert House, located another 132 miles north of Mattagami.

Now, Fecteau Transport already provided that service from Senneterre, Val d'Or, Amos and even Rouyn, if you want, to Mattagami and they are refused permission to go from Mattagami up to Rupert House, which really is in the province of Quebec. They are refused a licence supposedly because the service existing between Toronto, Timmins, Moosonee and Rupert House is enough. But when people from Val d'Or have business at Rupert House, they must take a plane at Timmins or Moosonee, which is not at all convenient for us.

Now, I call the attention of the minister to this point. I maintain that the application by Fecteau Transport in no way interferes with the operation of Austin Airways Limited now serving a more easterly area than that served by Fecteau Transport.

Another objection by Austin Airways is that—

[*English*]

That the major requirement of the Indians for air transportation is for charter flights to and from their hunting grounds and that their only need for unit toll service is in connection with the Moose Factory Indian and Eskimo hospital.

[*Translation*]

Mr. Chairman, there again, the Minister knows that Fecteau Transport is not asking to go to Moosonee; it does not ask to go from Moosonee to Rupert House, but rather from Mattagami to Rupert House in order to complete its circuit which lies completely in that area. Rupert House is located east of James Bay, while Moosonee lies west, which is not quite the same thing, and Mattagami lies directly south from Rupert House.

Mr. Chairman, I am of the opinion that it is unthinkable and inadmissible that Fecteau Transport should have been refused the authorization to operate between Mattagami and Rupert House, which operation would not have interfered in any way with the present service.

The following is an excerpt from the board's decision:

[*English*]

If the application of the appellant were granted this would result in competition between the appellant and the present commercial air service in the Rupert House area.

[*Translation*]

Mr. Chairman, that is the statement the minister made when officials of Fecteau Transport appeared before the department to appeal the decision of the board. He stated that this would create competition for another company. This would result in no such competition because Austin Airways do not serve either Val d'Or or Mattagami. That company has no business there, while Fecteau Transport does transact business there and in other places in our area. We want to go to Rupert House, as near James Bay as possible, and we also want to use Fecteau Transport's services as we see fit. But, in order to do that, the company must first obtain its licence.

• (7:20 p.m.)

I think the minister should reconsider what he signed on May 20, 1965, by maintaining order no. 2096 of the air transport board of Canada.

Mr. Chairman, I will not keep the house much longer. However, I would like to call to the minister's attention the train service from Ottawa to northwestern Quebec, that is from Ottawa to Rouyn-Noranda, going through Ontario and serving the ridings of Nipissing, Sudbury, North Bay, Nickel Belt, Cochrane, Timmins and Timiskaming, in Ontario, and Villeneuve, Chapleau, Témiscamingue and Pontiac on the Quebec-Ontario line.

When we want to take the train from Ottawa to get to our ridings, there are no sleeping car accommodations between Ottawa and North Bay. Then, we have to get off the train which leaves Ottawa at 7.30 p.m. and gets to

North Bay at midnight. We must wait until we get to North Bay before going to bed and then get off the train at Swastika and take another train to get to Rouyn-Noranda. There are 35,000 people in those two cities and over 100,000 in the area.

We get to Swastika around 5.30 or 6 in the morning. We go to bed at 1.30 in North Bay and get off at Swastika at six o'clock. It takes at least half an hour to get ready, which means that we get only four hours' sleep or so during the night and get to Rouyn at 8.30.

When we want to come back to Ottawa, we take the train at 6.30 p.m., I think, as far as Swastika. From Swastika we cannot have a bed either because there is no sleeping car accommodation from North Bay to Ottawa.

We reach North Bay at about two in the morning and from North Bay to Ottawa it is impossible to get a berth on C.N.R. trains.

Mr. Chairman, I feel that C.N.R. authorities—and I also include the O.N.R., known as the Ontario Northern Railway—should urge this latter company to tie in with other systems, so that we might at least get one sleeping car on the run from Ottawa to Northern Ontario and northwestern Quebec, up to Rouyn-Noranda and return.

It was claimed that the line is uneconomic and that nobody wants to travel by train. This is understandable. Nobody from Ottawa, not only among members of the area but among the general public, is interested to board a train in Ottawa without being able to sleep until Rouyn-Noranda.

The minister himself would not ride on that train.

Mr. Pickersgill: Right you are.

Mr. Caouette: Mr. Chairman, the minister says I am right. If he were to tell me that I am so right that he will act to let us have this sleeping car to and from Rouyn-Noranda, I would say he means it when he says I am right.

These are some of the recommendations I had for the Minister of Transport. Yesterday, my colleague from Lapointe (Mr. Grégoire) mentioned the considerable improvements in the Department of Transport, Air Canada etc. as far as bilingualism is concerned. It is a fact. There are still improvements to be made, though.

I noticed when we had the opportunity—and you were one of those, Mr. Chairman—of taking the Air Canada flight from London to return home to Montreal, we had bilingual air hostesses, speaking English as well as French and French as well as English.

We were delighted to note this improvement on boarding the plane in London. I noticed the same thing travelling from Ottawa to Victoria in British Columbia.

Even pilots who know very little French had the courtesy to tell us, during the flight, at what altitude and speed we were flying. They tried to tell us in French. This is a marked improvement compared to the situation a few years ago.

On this score, we must congratulate the minister and encourage him to continue in the right direction. We do not want to take anything away from anyone, but we want everyone to be respected. It is through mutual respect, and I feel the minister has understood this, that we will have a more united Canada, a country with better understanding, greater assurance and greater development.

[*English*]

Mr. Johnston: Mr. Chairman, having listened to a great deal of the debate on the Department of Transport estimates, a stanza of a brief poem runs through my mind. It is a very simple one:

> My heart is warm with the friends I make,
> And better friends I would not be knowing.
> But there isn't a train I wouldn't take
> No matter where it's going.

It seems to me that the lady who penned those lines, were she in Canada these days, would find occasionally there are no trains she could take because they are being cut off.

I think too, we will find that if there is not a change in policy we will not be making friends, particularly this year and next year with the centennial celebrations that will be going on in this country, and the demands that are going to be made on all our transport services, including rail transport.

The poem had an air of nostalgia about it, but I would like to assure you, Mr. Chairman, that there are many factors in the rail situation that are not nostalgic. Transportation is necessary. There are people who depend on the railway for their transportation and for their livelihood. There are towns and communities that, to an amazing extent, still depend on the railway both for providing jobs for the working force and providing transportation. One of these is my constituency.

I think it imperative that the Board of Transport Commissioners, for a variety of reasons, do something about the removal of

the "Dominion". The supplementary judgment that was handed down quite recently is an interesting document. The surprising thing about it is the way it allows argument concerning sins of omission, and then one finds that the sins of omission are the basis for the justification for the removal of the train. This seems to me to be an inverse use of argument and of the English language.

It is the sort of thing where the Board of Transport Commissioners becomes a very permissive parent, who would speak to its child in the sense of saying: All right, you have got your face so dirty you don't have to wash it any more. This is the attitude we find in dealing with the C.P.R. and their application to remove the service: It "has run down so badly that, all right, you don't have to do anything more about it."

Figures are presented to show losses. These are supposed to be very frightening figures, but I do not think they are. For one thing, we know the profits on the other operations of the C.P.R. are not set down beside them, so that we do not have the two sets of figures at the same time. I do not think the figures showing the losses are so staggering that the situation warrants the complete removal of the "Dominion". There are many small school districts with resources far less than those of the C.P.R. and who, every few years, raise sums of money equivalent to these that are supposed to terrify us.

It is time we began to realize that the arguments presented in justification for the removal of the "Dominion" are not particularly sound, and that the real question does not lie in this sort of inverted argument. To me these arguments are rather Alice-in-Wonderland-like. It is time we started to apply the answer of one of the other characters in that work, who said, "The words do not really matter at all. The important question is, who is going to be master here?" The same process of reasoning would apply in this situation.

• (7:30 p.m.)

The question of the low morale of train crews has become one of import, and though some of these matters reach over into other people's departments I think they do have a bearing on transport. I am not a railwayman, nor do I pretend to be one, but I have travelled on trains in Nasser's Egypt, and on trains in India, third class, in recent years. I have travelled on trains behind the Iron Curtain where the guards made scrupulous searches for escaping citizens. I have witnessed such attempted searches for persons, and that type of interruption; but never at any time have I seen a train crew so completely demoralized as the one manning the C.P.R. train that brought me from my constituency to Ottawa. The reason for the lack of morale is plain. They know what is happening about the withdrawal of the "Dominion" and the only question in their minds is not whether the C.P.R. will withdraw the Canadian as well, but when this will happen.

We know a number of areas in which that company has tangled with its employees. We know about the employees' concern over the pension plan and the interpretation of the Minimum Wages Act as well as the withdrawal of that train. We know that in a great variety of ways in which the company extends its services it succeeds in making train rides unpleasant and reduces the number of passengers that can be expected. I think it of extreme importance that the Board of Transport Commissioners should either order the resumption of this train service or the government should take over not only the railroad operations but the entire operations of the company.

In closing I should like to make brief reference to another item. With the announcement at the beginning of this afternoon's session that the government has seen fit to engage in subsidies in relation to a substantial power undertaking in the province of Manitoba, the government's attitude regarding the subsidy not being applied to ferry construction in the province of British Columbia seems even more inadequate. In the light of today's announcement I think a reconsideration of government policy in regard to that important industry in British Columbia is necessary.

Mr. Barnett: Mr. Chairman, it may be of some small comfort to the Minister of Transport if I tell him that at this stage of the consideration of his estimates it is not my intention to pursue at length the subject of the operating philosophy and methods of the Canadian Pacific Railway Company. After all, that great corporation through the kindness of its heart has left us one railway passenger car on Vancouver island. I refer to the day-liner which runs between Victoria and the city of Courtenay.

In addition, Mr. Chairman, I could possibly be considered to be somewhat prejudiced in this matter by having a personal interest, because if some of the suggestions that have been advanced in the course of this discussion were accepted, the C.P.R. might have to divest itself of that reservation it holds on mineral rights on the property on which my home is situated.

I would say, however, that when listening to the discussion on this question I did recall one of my first experiences after being elected as a member of this house. At that time the Canadian Pacific was operating what amounted to a monopoly transportation service by vessel along the west coast of Vancouver island. It was the only lifeline of communication for groceries, mail and everything else that those communities required. I had occasion to listen to some complaints about this service and, in a very conciliatory frame of mind, thinking there are always two sides to every story, I went to see the management of the Canadian Pacific steamship services in Vancouver. I wanted to hear the other side of the story before I made an assessment of this matter. I have never forgotten the abrupt manner in which the head of that particular division banged his fist on the desk and said: If she pays we will run her; if she doesn't we will pull her off. I do not recall whether I ever actually told that story before in the house, but if I had told it at an earlier date it might not have been so much in keeping with the general feeling I have observed during the course of the current discussion.

However, I should like to recall to the minister's mind some discussions that took place during a consideration of the transport minister's estimates when I was first in this house. If I recall correctly, the present minister was then Secretary of State. I have a vivid recollection of the exchanges that then took place between the late Mr. Gillis, the then hon. member for Cape Breton South, and the then minister of transport, now our High Commissioner in London, about the subject of linking Cape Breton Island with the rest of the province of Nova Scotia. Over a period of time investigations were conducted by the government and eventually a commitment was made for the construction of that causeway. Whether or not this ever happened, I do not know, but there was supposed to be some kind of procession across that causeway led, of course, by people playing the bagpipes, in which the then minister of transport and the hon. member for Cape Breton South were to participate.

If I am correct I recall that even then there were some qualms among certain people on Cape Breton Island—and living on an island myself I can appreciate their sentiments—that in some ways this causeway might not be such a good idea, that it might make it too easy for Sassenachs and other lesser breeds without the law to travel freely into the inner sanctums of Cape Breton Island. However, I must say that I have not recently heard any serious complaints from members representing that interesting part of our country about the fact that the causeway was built. Indeed, Mr. Chairman, to the contrary, apparently the building of that causeway stimulated an increasing interest in the linking of another one of Canada's islands to the larger mainland part of the continent. Apparently over the years this also has borne some fruit. As I understand it, we are now committed to the building of a causeway to Prince Edward Island.

Mr. Pickersgill: We are building it.

Mr. Barnett: I am glad to hear that we are actually building this causeway. I have not been in that part of Canada recently, but I am glad to know that we have progressed to that point. This immediately raises another question. Where do we go from here?

Mr. Pickersgill: To Prince Edward Island.

Mr. Barnett: I recognize that we cannot do all these things at once. We did build the Canso causeway, which was considered to be a mammoth engineering project. From articles of that time it is apparent that when this construction was well under way, with the kind of engineering techniques and equipment then available, it became clear that it was a somewhat more simple job than earlier forecasts had indicated.

• (7:40 p.m.)

We are now building a causeway to Prince Edward Island. If I understand correctly it will span a distance of some nine miles, and perhaps the minister can correct me if I am not completely accurate in that figure. The fact that this is under way led me recently to ask a question of the Minister of Transport in the House of Commons. Perhaps I might direct the attention of this committee to page 808 of *Hansard* for February 7, where I asked the Minister of Transport:

Now that the Prince Edward Island causeway is under way, will the government undertake to

carry out feasibility studies concerning the linking either by causeway or tunnel of two other major islands with the rest of Canada? I refer to Newfoundland and Vancouver Island.

The Minister of Transport in reply, speaking I am sure in a rather jocular vein, said:

Mr. Speaker, I think priority should be given to Newfoundland.

Of course, representing Bonavista-Twillingate I have some appreciation that the minister's immediate reaction might be in that direction. However, Mr. Chairman, much as I admire the island of Newfoundland, I happen to represent a fairly substantial part of the geography of Canada and the people of Canada encompassed within the boundaries of Vancouver Island, and I think the minister will understand me quite well when I say that I should take the opportunity of presenting the other side of the case assuming, if he wants to for the moment, that we are not going to carry out these projects at the same time.

I should like to draw to the minister's attention that this is the year 1966, which is of particular significance to many Canadians because it is the 100th anniversary of the date on which the people of the then crown colony of Vancouver Island decided to throw in their lot with the people of a large part of the mainland of what is now Canada, and become part and parcel of the then crown colony of British Columbia. Therefore I would advance as a first point in this discussion that, while we were all very happy when Newfoundland decided to become part of Canada, it will be several years before Newfoundland will be celebrating its centenary of becoming linked in a constitutional way with the mainland of what is now Canada.

Mr. Pickersgill: Mr. Chairman, I think the hon. gentleman is quite wrong about that. Newfoundland has always been linked in a constitutional way with the mainland of what is now Canada. The coast of Labrador has always been a part of Newfoundland.

Some hon. Members: Hear, hear.

Mr. Barnett: I admit that the minister is constitutionally correct in that respect; I would not quarrel with him. However, I might point out in reply that while we have not quite reached that point, mainland or not, at least British Columbia became part of Canada in 1871, which will still mean we shall be celebrating our 100th anniversary somewhat before Newfoundland. I think we have to put this matter into perspective.

Mr. Pickersgill: Mr. Chairman, the hon. gentleman spoke about perspective and I must say that thought was going through my mind. I did make an appeal yesterday that subjects which could just as well be discussed on the 1966-67 estimates as on the 1965-66 estimates perhaps could be adjourned until we reach those estimates. I cannot help but feel that this visionary project, in which I take a great deal of interest, is one that would still be quite current when the next round of my estimates comes before the committee in a few weeks from now. I wonder whether the hon. gentleman would not consider that perhaps this matter is not urgent between now and March 31.

Mr. Barnett: I appreciate the desire of the minister to have his estimates proceeded with as rapidly as possible, but I would point out, Mr. Chairman, through you two things to the minister. One relates to my reference to the building of the Canso causeway. All these matters have to start some time, and if my recollection of the debates that took place before the decision was made to build the Canso causeway is correct, I would suggest it is not at all too soon to begin right now putting forward this proposal, which as far as I know is a comparatively new one, as far as making a serious request for a feasibility study in which the federal government would be prepared to participate is concerned.

The second point I should like to make to the minister is this. In making this proposal at this time I am in effect assisting the minister with a suggestion which will enable him, in my view, to get himself off the hook in respect of another matter which is of very current and immediate interest and has been the subject matter of considerable discussion during the process of the consideration of these estimates. I refer to the question of subsidies on shipbuilding.

Mr. Pickersgill: Mr. Chairman, will the hon. gentleman assure me that if I agree right now that we will start a feasibility study on a causeway to Vancouver Island there will be no more ferries needed between now and the time it is built?

Mr. Barnett: Well, now, Mr. Chairman—

Mr. Pickersgill: Otherwise I do not see how the hon. member is getting me off the hook.

Mr. Barnett: Of course, I am not the only one who has any say in the question of a ferry service. In fact, as the minister knows, I have very little if any say in the question of a ferry service that may or may not be

operated between Vancouver Island and the mainland part of British Columbia. However, I and possibly some people who are not in this house might be less disposed to press the question of what some of us contend is a discrimination in the minister's shipbuilding subsidy proposal, if we knew this question of linking Vancouver Island was going to be put forward as a serious interest of the federal government.

I have no desire to pursue this matter at any great length at this time, but for the record I think it should be said at the outset that Vancouver Island has played quite an important role in respect of the development of Canada as we now know it. The founding by the Hudson's Bay Company of Fort Victoria in 1843 as a bastion, if you like, of the area of influence, at that time of course of Great Britain, can in many ways be argued as resulting in our now having a Canada from sea to sea.

It can also be argued, Mr. Chairman, that if this had not happened and we had allowed the encroaching influence of our American cousins to extend up the coast, as they certainly would like to have done, perhaps the problems of the Minister of Transport would be a little less difficult in some respects, but certainly Canada as we now know it would not be under discussion in this parliament.

I think it is not without some interest that back of that decision to establish Fort Victoria lay the question of whether or not our boundaries might have been along the Columbia River in the western part of the continent. In this connection our links with the eastern part of Canada go back quite a long way. Just to illustrate this point, Mr. Chairman, I should like to recount to the committee a story in respect of Fort Astoria which, as many hon. members probably know, was located at the mouth of the Columbia River by the American trading interests from the Atlantic coast.

• (7:50 p.m.)

At one point, just before the war of 1812, the Hudson's Bay Company had concluded a deal to buy Fort Astoria from the Astoria Trading Interests. They had actually hoisted the union jack atop Fort Astoria when the war of 1812 was declared. Orders were issued to capture any available enemy posts, and a ship of the Royal Navy was dispatched to Fort Astoria. The officer in charge decided he had to carry out his instructions to the letter. When he found that the union jack was flying over Fort Astoria, he insisted that the union jack be lowered and the stars and stripes raised so that he could actually capture the fort. The result was that in the settlement of the war of 1812, when it was agreed that all territories held by either power before the outbreak of hostilities would be returned, the United States got Fort Astoria back, even though it had already sold to the Hudson's Bay Company.

I mention this, Mr. Chairman, as one of the reasons in the background of our history that this proposal for linking Vancouver Island in a modern transportation sense should be of interest and concern to the people in the east, or what was then Upper and Lower Canada. I hope that the members from this part of the country will be unanimous in their support of the plea I am making for the proposal to link Vancouver Island with the mainland.

I should like to point out to the minister that this is a very practical question. There is a lot of pressure building up in Vancouver Island over the fact that the people in the rest of Canada, with the possible exception of the island from which the Minister of Transport comes, can travel by automobile from one end of the country to the other on toll free highways, except of course for the tolls the Minister of Northern Affairs and National Resources levies going through national parks. There have been suggestions made from time to time in British Columbia that the tolls on the ferry system should be abolished.

This is an interesting suggestion, and I am sure the minister recognizes it would create practical problems. If there were no tolls, if it did not cost me $7 for myself and my car to go from Nanaimo to Vancouver on that ferry, I would probably go a lot oftener. This would mean we would have to build an increasing number of ferries. I leave it to the minister's imagination to take into consideration the fact that the population of Vancouver Island is almost 300,000 and he can envisage just what kind of pressure that might create on the building of ferries and, incidentally, on the federal shipbuilding construction subsidy in respect of the building of the ferries that would be required.

This is a serious added cost to those who live on Vancouver Island. For example, if a man, his wife and four children want to start on a holiday, it is going to cost them $34 to get back and forward from Vancouver Island before they go anywhere else in Canada. I am not going into the question of the added cost for the transportation of goods at this time.

I realize fully, Mr. Chairman, that the remarks I am making tonight are only of an introductory nature to this subject.

I would be most happy if the minister would give a less qualified commitment with regard to the willingness of the federal government, jointly with the provincial government, to enter into a feasibility study of a tunnel or floating causeway or whatever it may be to connect Vancouver Island with the mainland. I am taking my figures from the report of the Redistribution Commission, but I understand that the population base of Prince Edward Island is 104,659 and the population base of Vancouver Island is 289,679. If the causeway to Prince Edward Island is nine miles in length, one could argue that an equivalent on a per capita basis so far as Vancouver Island is concerned could be something of the order of 27 miles. I understand that a direct link across the Strait of Georgia from Point Grey to Gabriola Island, on the outskirts of Nanaimo, would be of the order of 16 miles. I think this may be fairly close to the length of the proposed crossing of the Strait of Belle Isle, but I have never been there.

In any event, Mr. Chairman, if the minister is prepared to indicate the willingness of the federal government to proceed immediately with a feasibility study, then perhaps I, for one, might be willing to be less emphatic in pressing my argument on the subsidy for the construction of vessels to operate between Vancouver Island and the mainland of British Columbia under the aegis of a public authority.

In conclusion, Mr. Chairman, I may just point out to the minister, in view of the discussion we have had about the Canadian Pacific Railway, and in view of the rather sorry history of their previous services by ferry to Vancouver Island, that perhaps his whole concept of shipbuilding subsidies is upside down, and that if there is to be any subsidy it should be for vessels which are to be constructed for a publicly owned and operated authority which is basically concerned with providing transportation services to people as they require them, rather than primarily with providing a profit to private shareholders.

Mr. Forrestall: Mr. Chairman, I was going to make these remarks as we went through the various items, but since they involve at least three subsequent votes, namely 30, 35, 40 and 75, rather than delay the passage of these items as we come to them I thought it might be more expedient if I were to make a few remarks now and confine them to the broad field of aviation.

• (8:00 p.m.)

I should like to extend on behalf of a lot of people interested in aviation in Canada our thanks to the Department of Transport and to the minister for certain very enlightened attitudes in the field of general aviation. I think particularly of aid to municipalities which are interested in the construction of small airports. Perhaps at this point I should qualify what I mean by general aviation. It is that field of aviation that excludes military aircraft and the larger commercial air carrier, such as Air Canada, C.P.A., and to a lesser extent E.P.A. and Eastern Canada. I am referring rather to the small commercial service firms in this country and to the many thousands of businessmen who utilize the aircraft and airports of our country and the flying clubs which train the pilots to fly.

Coming back to my first point, the question of aid to municipalities for the construction of airstrips, as beneficial as the fund of up to $1 million has been we still have from one end of the country to the other a lot of criticism from municipalities who would like to take advantage of this offer and provide their area with a strip capable of meeting immediate needs of local flyers. However, they are a little reluctant to proceed because part of the legislation covering this kind of assistance by the government involves the turning over of the ownership of the land to the federal authority, and quite understandably this a lot of municipalities are reluctant to do.

I would ask the minister and his departmental officials, who have done much to bring this legislation about, to improve upon the earlier legislation, which involved cost sharing and which was very limited in application. The next time this matter comes to their attention I would ask whether they could find some way of making it possible for the specific municipal units involved to retain ownership of the land which they are now required to turn over for the construction of these small airports.

The second item to which I should like to refer the minister and his department is the question of landing fees for light aircraft, both private and commercial, at Department of Transport airports across the country. It is my understanding that this matter is under study by the department. I hope that out of this study will come the elimination of landing fees.

I suspect that a close examination of the keeping of records in this regard, the collection and billing of the amounts involved, and so on, would prove that it is quite costly. I think there is a more simple expediency. I would suggest that most operators in the country would not be averse to the addition of one half, three quarters or even a full cent per gallon of gas in the form of airport fees. If the minister will consider that I am sure that his department would receive from the people involved their further very grateful thanks.

Moving now briefly into another area, which again has some sense of urgency about it, I should like to say something about the application of aircraft for agricultural purposes. In this connection I would ask that the minister consult with his appropriate colleagues in the government so as to encourage their favourable consideration of the removal of the 11 per cent sales tax on aircraft used purely for agricultural purposes. It seems to me quite unfair that farmers who have a ready use for agricultural aircraft are somewhat deterred from making an entry into this field owing to the application of this sales tax. They can buy their tractor and virtually every other piece of equipment used on their farms without paying sales tax. Yet when it comes to the utilization of a piece of equipment which in many cases would save time and money, improve planting and so on, the farmers run into the question of sales tax, a factor which can add $2,000 or $3,000 to the cost of a piece of equipment. I commend this matter to the minister for his very active consideration.

The fourth item I should like to deal with, Mr. Chairman, involves the development of broad guide lines for that area of commercial aviation fondly known to myself as the operations of regional air carriers. Without recalling this too vividly to the minister's mind —though in this respect perhaps the government in office before the present one was a little tardy as well—since early 1960 the Air Transport Association of Canada and the Canadian Pilots Association members all gathered together one by one at conventions and meetings to appeal to the federal government and the Department of Transport for the establishment of a regional air policy, a policy designed to improve service in the several regions of Canada where, to a large degree, subsidies are required to maintain, I was going to say adequate levels of service, but to maintain service. I am sure these commercial operators do not even yet feel that the level of service has reached adequate proportions in any of the regions of Canada.

[Mr. Forrestall.]

• (8:10 p.m.)

In 1963 the then Minister of Transport told the house that he believed some clarification of the future role of regional air carriers is essential to meet the rapidly changing technical and economic circumstances of aviation. Mr. Chairman, he was right. Then in November 1963, the new Minister of Transport—the old minister having returned to a new portfolio—was right when he reiterated those words. He was right again on February 26, 1964, when he suggested to the house that the whole question of future air policy is under very active consideration. However he said that no conclusions had yet been reached. As soon as one has been reached it will be made known. I hope this will be before too long. It was in late February of 1964.

He was again right in September 1964 when he suggested to the house that he was going to keep on pushing for a regional air policy, just as hard as he could. He hoped that at the end of the year he would be able to make good recommendations to the house which would receive the approval of the house. Again he was right in February, 1965, when he said, referring to the time it would take to introduce effective regional air policies, "I do not think I can say anything useful about the time it would take, beyond saying it will be done just as soon as we think we have something to communicate to the house which will really work."

I understand the problem faced by the minister, Mr. Chairman. It is an old problem and not one that can be left hanging too much longer. Our regional air carriers need some firm direction, they need direction and clarification on the question of subsidies. These subsidies remain necessary in spite of certain protests about them. The government should, and I certainly hope shall, perform that action before 1966 passes into 1967. In order that at some future time the minister will not be embarrassed, I will not take it upon myself to ask him this year, although somebody else might.

Mr. Chairman, a final matter that I wish to deal with in the few minutes left is the question of the necessity of the government of Canada to look at the entire field of light aircraft, including single and twin engine aircraft with fixed gear and retractable gear.

I refer to all aircraft in Canada of under 5,000 pounds all-up weight.

Mr. Chairman, the whole field ought to be reviewed. Knowing the competence of the members of the entire department, the review will not be a difficult one. I think that the officials of the department should survey the whole question with this in mind: How many of the aircraft reviewed were made in Canada? How many could have been made in Canada had there been some action, or some stimulus on the part of the federal government to foster and encourage in Canada the construction of a truly all-Canadian aircraft?

In Canada our aircraft industry has developed some of the finest aircraft in the world, but they are highly specialized. They have been designed to meet special needs in our northland and in our bush areas. No attention has been paid to them, except by one or two very hardy souls. No attention has been paid to the whole field of a truly Canadian light aircraft. We have one prototype, the Cheetah, whose designer and original constructor has been running around the country trying to sell it. He has a good piece of equipment. It is well built, but he will never make the grade I am afraid because he has not the support from a government that should be concerned about the high level now reached in the importation of aircraft from the United States into this country.

I think the government, Mr. Chairman, should very seriously consider the objectives of the Department of Transport or of the Department of Industry. I would ask the minister to give serious consideration to the establishment of a fund of money which would not purport to hide itself in any mist of subsidy, but which would be an outright grant to the Canadian aircraft industry of up to $5 million, for the design, development and building of a prototype of a truly light aircraft, for pleasure or for commercial purposes here in Canada. I suggest that Canada needs badly a fixed gear single engine high-wing aircraft that can be used for pleasure flying and for flight training. If we do not do it we are going to see the entire market flooded, from now until eternity I am afraid, with products from across the border. Mind you, they are excellent aircraft, but they are not better than we can build here ourselves.

The level of buying in Canada now is reflected in these figures, that as of December 31, 1965 there were 7,542 aircraft registered in Canada. Of these 5,205 were private aircraft, the average cost of which was from between $10,000 to $20,000. That, Mr. Chairman, represents a substantial industry.

I suggest to the minister as he and everybody else probably knows, that the vast majority of these light, private aircraft are made in a country other than Canada, and that they could very well be made here, if the industry could be encouraged to design, develop and get some prototypes on the market.

Other interesting figures I might point out are a 25 per cent increase in the number of licences issued by the minister's department, including private, commercial and other upgraded tickets. The vast majority of these, of course, are private licences. During the past year 9,094 people received an upgrading of their licence or a new private flying licence. If that number of pilots and that number of aircraft does not warrant considerably more active consideration directed to the industry than it now receives from the federal government, then I am afraid it will be a long time before the opportunity which exists right now again presents itself to the government.

• (8:20 p.m.)

There exists a very strong base for the government to justify the introduction of admittedly substantial sums of money, but the returns would be manyfold, and all to the good of the industry. May I commend that suggestion to the minister. If we do this, then, we have policies in Canada that are designed to protect our own manufacturers when they have achieved some 10 per cent, say, of the market. Recently the government saw fit to impose a 15 per cent duty on certain types of aircraft coming into Canada in order to protect Brown Brothers and their new aircraft. Mr. Chairman, I suggest to the minister that again the new aircraft is highly specialized, and in no way suited to private use. I do not think a competent instructor would take it upon himself to teach in one of them. That is not what it was designed or built for. We are concerned about the protection of the aircraft industry in Canada and we take good measures to protect it. I think this is a good measure but I also think it has been misapplied. The impact of taxes on general aviation among the smaller operators will have a disastrous effect and this will always be the case as long as we approach this question in a piecemeal fashion.

I use the present illustration to underline the need to develop aircraft in Canada which will cover the whole range. Then, when we

impose taxes, we shall not be imposing hardship on those who need to fly, or enjoy flying, the type of aircraft which is here being penalized because it falls into a broad general category. If the minister would give some consideration to these four or five items I would be grateful, as I am sure the entire aviation industry would be.

Mr. Bell (Saint John-Albert): It appears we are approaching the end of our discussion on this first item, but I should like to ask the minister a question before he replies. I should like to point out that there are some on this side who are foregoing their opportunity to speak; we know there will be a further chance for them to express their views when the main estimates for 1966-67 come up for consideration.

Before I ask this question I should like to point out that the minister has on two occasions failed to make an initial statement on the first item in the traditional way. I hope this will not become a pattern. If it did, I would regard it as a bad habit. Perhaps his failure to make a statement is one of the reasons why the debate has ranged so widely. Had he told us what had been accomplished in the department—supposing anything has been accomplished—and challenged us on one or two points we would have been obliged to reply and deal with what he had said and perhaps, as I say, we would not have ranged so wide in our comments.

I wish to inquire as to the whereabouts of three reports all of which are, I think, important. First, there is the Pilotage Commission report. I want to know what is happening to that and when we can anticipate legislation with respect to changes to be made in the Shipping Act. I want to know, too, how we are getting on with the report on the future of the air lines, and possible mergers—the Wheatcroft report. This is important because when we are examining the affairs of the C.P.R. we should know how much of the moneys of the C.P.R. are going into air services and being taken away from the rail passenger service. Last, I want to ask about an old favourite. Where is the interdepartmental study on the future of the merchant marine? This is important in days when we are moving bulk cargo all over the world and Canada is losing her position at the bargaining table.

This is what I am interested in. I hope the minister appreciates the sacrifices we are all making here. I think he has learned a good deal this week as far as answers are concerned.

[Mr. Forrestall.]

Mr. Prittie: I am not prepared to make any sacrifices. I have already made my sacrifice, as has the minister, by listening to about 50 speeches on the estimates of this department.

Over the years there have been many suggestions made that the Department of Transport is far too big, dealing as it does not only with railway questions but with canals, telecommunications, broadcasting, harbours and so on. There have been suggestions that it should be broken up, or at least, that a department of civil aviation should be created under a minister of its own. I made this suggestion in 1963, and even then it was not an original one. The Air Transport Association has advanced this idea from time to time. I am sure the minister appreciates that if his department were dealing only with railway matters, for example, the estimates might already have been passed. I recall that the hon. gentleman said a couple of years ago that he felt big and able enough to handle this particular department. I am not so sure he believes this, now. He is certainly very capable but I think the size and complexity of the job have slowed him down.

If one thinks of the problems facing this country in the field on railway operations alone it becomes apparent there is a strong argument in favour of a separate department to handle these questions. I think the size of the department requires that it be split, at any rate, into two, in such a way as to recognize the importance of civil aviation in Canada. I was looking at the 1965-66 estimates and I noticed that the estimates of the air services branch alone are more than those of 12 departments of government; there are 12 departments, each in charge of ministers, whose budgets are smaller than that of the air services branch of the Department of Transport. They are the Departments of Agriculture, Citizenship and Immigration, Defence Production, Fisheries, Forestry, Industry, Justice, Mines, National Revenue, Northern Affairs, the Secretary of State and Trade and Commerce. All these departments have budgets smaller than one branch of the Department of Transport.

If the government does not see fit to establish a separate department I suggest they do as has been done in the Department of National Defence—appoint an associate minister and make him responsible for the conduct of part of the department. I realize that a

step was taken in this direction recently. It was stated that the Minister without Portfolio was to be given some responsibility in this department. Why not go further and make him associate Minister of Transport for civil aviation? I think recognition of this type is due to the air transportation industry in Canada.

I was interested in the many comments which have been made about the Canadian Pacific Railway. Members of all parties have taken a few swipes at this giant corporation. I would point out that since I came here in 1962 members have never had a chance to have a face-to-face meeting with the top management of that railway. I understand we are to have such an opportunity this year. On the other hand, we have had a chance to meet Mr. Donald Gordon and the assorted vice presidents and comptrollers of the C.N.R. each year.

• (8:30 p.m.)

I think these meetings in the transportation committee have been most useful. They provide an opportunity for the management of the C.N.R. to learn directly what members think on certain subjects and they can communicate with members directly rather than in a roundabout way through the minister. If you will look at the minutes of the transportation committee, Mr. Chairman, you will see some of the topics which have been discussed with Mr. Gordon and other senior officials of the C.N.R. Among them was the question of priority for railway facilities in ports, for hotel operations, passenger railway service, and the position of the C.N.R. in the trucking industry. These are the sort of things which members have been bringing up during the past few days in connection with the C.P.R.

Some two years ago I introduced a bill, the purpose of which was to provide that any railway company in Canada receiving any public moneys at all should be required to file a report with the Minister of Transport. It was my hope that such a report would be sent to the railway committee where members of parliament could have an opportunity to question the operators of the railway lines. Of course I had the C.P.R. particularly in mind. I recall the debate which took place on my bill at that time. The government members who spoke on this included the hon. member for Labelle, the hon. member for Stanstead, the hon. member for Restigouche-Madawaska and the hon. member for Jacques Cartier-Lasalle. All through their speeches there were references to snooping into private enterprise, to creeping socialism, and all that type of talk. You would think I had brought in a bill to nationalize the C.P.R. Well, people are coming to that point of view.

The National Farmers Union and the Canadian Federation of Agriculture have declared themselves on this question, and it seems to me that a Social Credit member tonight made some reference to it. However, that was not the purpose of my bill. It was simply to have the management of the C.P.R. come before a committee of the house each year so that members could question the management of that company in the same way as they can question the management of the C.N.R.

I know it has been explained to me that the reason the C.N.R. appears before a committee is that it is a crown corporation. When the government members were talking against my bill two years ago they referred to the fact that the C.P.R. was a private company and that the alternative was a public corporation. The C.P.R. may be a private company but it is a sort of public institution in Canada and it certainly has had a great deal of public support.

I have been interested to note that some of the new Liberal members in this parliament have had their say about the C.P.R. These have included the hon. member for Port Arthur and the hon. member for Renfrew North. I only hope that when my bill comes up again this year—it is Bill No. C-18 on the order paper—I can expect support from them because I think it would be a very healthy thing if the management of the C.P.R. could be questioned by members of parliament each year. Perhaps if they knew they had to come here each year they might mend their ways a little bit, although I am not too sure about that point.

I listened with a great deal of interest to the speeches made about the harbour of Vancouver by the hon. member for Vancouver Quadra, the hon. member for Vancouver East and the hon. member for Coast-Capilano. I found them very interesting, and the points that all those members made are worth-while points. I understand the minister is going out soon to have a look at the harbour of Vancouver. When he is out looking at the port of Vancouver I hope he will also go and have a look at Vancouver International Airport. There are one or two points I want to bring up in connection with it.

It will be no surprise to the minister if I suggest to him that I and the people of my constituency have a continuing interest in the question of access to Vancouver International Airport. In the past two sessions of parliament I have introduced resolutions calling for the construction, with federal participation, of either a bridge or tunnel directly from the city of Vancouver to Sea Island where Vancouver airport is located. I will not go over the whole matter again, but simply remind the minister that at present one has to cross two bridges from the mainland to get to the airport, and that one of these bridges is a two-lane swingspan bridge, that it has been out of commission at times, that when it is out of commission or when it is open Vancouver International Airport, the third most important airport in the country, is cut off from the mainland altogether.

I believe there have been some discussions about this matter between the Department of Transport and the British Columbia department of highways. I imagine there has been no agreement as yet on a sharing basis, but I would like to have the minister report at some time on that point.

The new terminal at Vancouver airport is beginning to be constructed. The groundwork is done and I believe the actual construction will soon start. It is scheduled for completion in 1967, and I hope by 1967 we could make a start on a better approach to the airport, which is located in Richmond.

There is another matter concerning the airport which is of interest to a number of people in my constituency. The airport is located on Sea Island. At the present time the Department of Transport owns most of that island. However, two or three residential subdivisions still remain on the island, and the people in one of these subdivisions in particular have cause for concern. The airport is constantly expanding. The department is buying up new property all the time, but these people do not know whether the government will eventually want their property or not.

The subdivision I have in mind in particular is called the Cora Brown subdivision, a Veterans Land Act settlement. It is very difficult to sell homes in that area. It is also very difficult to borrow money to make improvements to those homes. In fact a few years ago the people there could not borrow money at all and the Department of Veterans Affairs had to make loans available to them because private borrowing was denied to them. There will be a tendency for this subdivision, this group of homes, to go downhill unless some decision is made soon concerning the Department of Transports' long-range plans for the airport.

I notice that the other day in Vancouver Dr. T. G. Howe, regional director of the department of transport for B.C. was speaking to a service club, and he talked about the need for new and longer runways. He talked about the amount of air freight to be handled in Vancouver, which will probably be multiplied several times in the next few years, and he said new terminals would be necessary for this freight and new runways would be required for this type of cargo. Therefore I would ask the minister, and the officials concerned in his department about these things, to have a look at their land requirements on Sea Island so that the people who are still resident there can have some assurance of what is to happen in the future.

If necessary perhaps they could be bought out, and if their homes are not required right away they could be rented back to them for a period of a year or so. It is necessary that some decision be made before long.

Finally, there is one matter of personnel concerning the Department of Transport to which I wish to make reference. Members of parliament from the lower mainland of B.C. have been getting quite a number of communications from the radio operators employed by the department. There seems to be a great deal of dissatisfaction about the lack of promotion in the department, and about the pay rates paid to these employees, pay rates which they feel are not commensurate with their duties and the amount of training they have had.

I would suggest it is most unsatisfactory to have a group of employees who feel this way about their working conditions. They have been making some applications to the department through the Civil Service Commission, through their employees association, which I believe is the Civil Service Association of Canada, and I would ask the minister to instruct the officials of his department to take a look at this problem and try to regulate it as soon as possible.

Otherwise I do not think they are going to get the very best work from these employees, these radio operators, who are doing work of great importance. They are concerned with the whole question of air traffic control and the lives of air travellers depend on the efficient work of these people. I would

ask the minister to check into that point, in addition to the others I have mentioned. Those are the only remarks I have to make at this time.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, I would like to take just a few moments of the committee's time to urge a suggestion on the Minister of Transport. It stems from this business of curtailing passenger service, about which we have heard a lot in the last few days. I think it is a very wrong and mistaken time to be talking about curtailing passenger service just when we are entering into an age of leisure, when hours of work are being shortened and holidays lengthened, when people are needing ways and means to use their leisure well and to good purpose in their lives.

• (8:40 p.m.)

This is no time to take off the "Dominion" or curtail the services in other ways. After all, the running of passenger services on railways may not be profitable but we must have these services. Just the same in collecting garbage: This is not profitable, but it is a service which people must have and it is up to us to see that it is carried out. If the C.P.R. does not feel it can carry on with its passenger services the government should have the courage to force that railway company to stick by its bargain. If it will not run passenger services, in exchange for all the profitable enterprises it now has, there is no choice for the government but to take over the profitable as well as the unprofitable operations to ensure that we have passenger service in this country.

There are a great many people in this country who are retired on old age pension to whom travel is a very important facet of their leisure pastime. As an example of what can be done for these people, let me refer to what has happened in Norway. In that enlightened country the government pays half the fare of an elderly person travelling around the country, because it considers travel to be one of the best ways to encourage the elderly people to use their time. There is on the order paper at this time a motion which suggests that the government should go the entire way and pay all the expenses of elderly people who are travelling. I would be content to see this government adopt the practice followed by the government of Norway, going halfway to pay the travel costs of our elderly citizens.

Mr. Chairman, anyone who has studied the needs of elderly or aged people will realize that there is a need to provide a means by which elderly people can remain alert and live out their remaining lives in something other than loneliness. In the city of Vancouver the hydro company there sponsors mystery tours on buses around Vancouver and its environs at very reasonable rates during the seasons of the year when weather will permit. I know that a great part of that traffic is composed of elderly people who take advantage of these very reasonable rates to get a change of scene and some form of relaxation during this twilight period of their lives.

If the Minister of Transport wants a trite phrase, let me suggest that we institute travel subsidies for senior citizens. This could be a very important form of relaxation for those who are elderly and aged. It would give them a great deal of interest and new experience. It would enable them to visit their children and grandchildren, and many of them are not able to do this today. This would also keep our elderly people in the main stream of life during their final years. I urge the minister to give serious consideration to this suggestion. If Norway can afford this kind of policy I do not see why Canada cannot afford it. One of the troubles with us in this country is that we are too isolated and seem to think that because a great many people live here in an affluent society, everyone enjoys this position in life. That is a wrong concept, and as long as we have one quarter of our people living in poverty it is up to us to find ways and means of lessening that poverty.

I hope the minister during the course of this debate will tell me whether there is any reason why this country cannot adopt a policy such as I have suggested. Certainly from the standpoint of increasing the popularity of his government this would be a sure-fire method, and would at the same time make it possible for our aged to mix with their contemporaries across this country.

Mr. Peters: Mr. Chairman, I have listened to this debate for some time and do not intend to repeat those things that have been said. Two subjects that have been touched upon have caused me some surprise. The first is the lack of government initiative to establish a national transportation policy in Canada. I understand the minister is going to remain in his present position only until new transportation legislation has been introduced, and legislation concerning two or

three fields within his jurisdiction, mainly cable television and others. I am surprised he has not outlined to parliament some of those things he hopes to do in the national transportation field, particularly in view of the fact he will be leaving this department. Surely we should be given an outline of government policy so that we can consider it now, rather than having to go through the same considerations we have undertaken in the last five or six days.

During this debate we have touched upon a number of things, not the least of which is passenger travel throughout Canada. One of the most novel worth-while proposals I have heard in this regard is the one just made by the hon. member for Vancouver-Kingsway. A great number of long-time employees of the railway companies were issued lifetime passes. The value of these passes has now been cut in half and these people must now pay half fare. I am sure the hon. lady for Vancouver-Kingsway will not oppose the suggestion that the government institute a policy which would allow these long service pass holders to travel without cost.

Surely the minister has come to the conclusion as a result of this debate that the majority of members would like to see the government adopt a national transportation policy. We in Canada should be ashamed because of those things we have allowed the Board of Transport Commissioners to do in respect of passenger travel. Let us consider for a moment the abandonment by the Canadian National Railways of sleeper service from North Bay to Ottawa. I remember when I was first elected that that train provided a reasonably decent mode of travel. All the traffic originating in northern Ontario and northern Quebec made use of this service in travelling to Ottawa and Montreal. This area represents probably one tenth of the entire area of Canada. It was serviced by the Ontario Northland Railway to North Bay, at which point these people transferred to the trans-Canada services operated by both the Canadian Pacific and the Canadian National. All the traffic originating in the northern part of northwestern Ontario, northeastern Ontario and northwestern Quebec used these facilities to travel south.

At one time the people of northern Ontario and Quebec could catch a train, take a sleeper and travel south. First of all the railways abandoned sleeper service at Swastika, because it cost $200 to rent a pullman car and move it over these rails. Eventually they cut off the service at Englehart, another division point, and eventually at North Bay itself. At that time if you were travelling north you had to get up at seven o'clock in the morning, leave the sleeper car and travel by coach the rest of the trip. Shortly after that you could not obtain sleeper service at all.

• (8:50 p.m.)

One of the reasons for abandoning this sleeper service is that the Canadian National Railways made a very bad blunder when it purchased a lot of old sleeping cars from a defunct United States railway company. These cars were not suitable for use in northern Ontario. They did not put heat on both sides of the car in the winter and these cars were not equipped for operating in our climate. They had so much trouble and found themselves without the necessary equipment. This is true, Mr. Chairman, and I believe every member who has spoken on this subject has indicated that we do not have the equipment to operate passenger service in this country. This is the reason for the abandonment of lines.

Last week I was toying with the idea, and perhaps I will be able to accomplish it, of getting the people who produce "This Hour Has Seven Days" to bring their cameras and accompany me on the train from northern Ontario and northern Quebec into the town of North Bay. I should like these people to board Canadian National train 104 and shoot pictures during the night in this one coach on a freight train which has a number of express cars. I am quite sure the Canadian public would be disgusted with the railway and the Board of Transport Commissioners in allowing this train to run at all. Either get rid of the damned thing and provide passenger service in an alternate fashion, or put on a service that is worth while. On this train there is no sleeper, there are not enough seats for most of the people travelling and quite often they have to stand. In addition, there is no diner and there are no passenger facilities of any description. This car has been crammed with passengers on the many occasions I have ridden on it. The seats in the coach are not the reclining type; the cars are much too old to have this amenity.

If the minister really wants to do something by which the Department of Transport can be well remembered he should face up to the transportation problem. Let us do something about the railways. I am not opposed to

our taking over Canadian Pacific Railway, but why should we? Why should we not take Canadian National Railways and decide to make it the operating railway to supply all passenger transportation in Canada?

I think the minister will find that if many people want their freight shipments to go on the same line, Canadian Pacific will have to do some scratching, which they are not doing at the present time. I believe the minister is a very capable man. I have had the opportunity of observing many of the things he has done in the past five or six years. Some of them I have agreed with and some I have disagreed with. His capabilities are certainly about the average of those of his colleagues in the cabinet.

Some hon. Members: Oh, Oh.

Mr. Starr: That has really pulled the minister down.

Mr. Peters: It seems to me that if anybody is to make an impression on this department, it should be the minister. He asked for this department.

Some hon. Members: Oh, oh.

Mr. Peters: Perhaps this is why we have the quandary that faces us at the moment, because I think the minister has the necessary capabilities. In my opinion this is a field in which a serious contribution has to be made. I think the day has arrived when we must make a decision as to what we are going to do to keep the people of Canada united as far as travelling across the nation is concerned.

The fuss that was raised with regard to the run between Ottawa and Toronto was not really caused by the people of Canada but by Members of Parliament. They had decided that if better accommodation was not provided for them, the roof was going to blow off. Members of parliament expressed the opinion that an improvement was to be made nationally, too, and they were in the mood to have the minister stand up and ask that a committee be established to look into the question of passenger service in Canada.

Let us face this problem and do something about it. If we have to subsidize the railways, let us subsidize them. Let us bring this question out in the open and ask the Canadian public what they wish done about it. I think it is a disgrace that we give Canadian Pacific equal rights with Canadian National in terms of freight hauled; yet the Board of Transport Commissioners has allowed Canadian Pacific Railway to double their passenger fare on the run between North Bay and Ottawa. I have checked this, Mr. Chairman, and the Canadian Pacific fare is almost double that of Canadian National.

We have allowed Canadian Pacific to do this while at the same time being well aware of the end result. You do something to get rid of the passengers and then come before the board and say: "Look, we have no passengers". I can assure the committee that anybody who rides on Canadian National train 104 is not a passenger in the true sense of the word. They travel on this train because it is an emergency and they have to get from one point to another. This is the only way it can be done. It is not a comfortable way; it is not a cheap way; it is not in any way a good way of travelling but it is simply a way of getting from one point to another. As far as I am concerned, it they took the damned thing off it would suit me just as well, because I will be able to ride in the caboose on the pass of a member of parliament and would be just as comfortable sleeping in one of the workers' bunks as in one of the coaches provided on this passenger service which is producing revenue. I do not want to beat a dead horse, and it is a dead horse.

An hon. Member: Do you mean the minister?

Mr. Peters: I do not mean the minister; I mean the whole transportation problem that faces parliament. There is a general agreement in this respect and if there were a free vote on whether to set up a transportation committee to study policy, I am sure it would be set up tomorrow. However, the committee will become bogged down with these estimates and will not be able to get around to solving this problem.

The minister will have to give leadership in this regard. I believe Canada has reached the halfway mark as far as transportation is concerned and should turn over to a completely new type of passenger transportation system and scrap the old one. I believe everyone agrees that we have reached this stage.

What burns me up is that we have the Board of Transport Commissioners who do not seem to do anything. They do not even seem to ride on these trains; I have not seen one of them riding on the trains for a long time. I do not really know what they do.

Mr. Nielsen: They go by Air Canada.

Mr. Nesbitt: They dissolve the railways, mostly.

An hon. Member: There is only one member of the board.

Mr. Peters: Somebody said there is only one member of the board. I thought there was more than that. They are called commissioners, and I should like to know what has happened to the other two. Perhaps they do not travel. I have been reading their recommendations and they certainly have not said anything that has impressed me with regard to passenger service. The decision they made in relation to the "Dominion" is no credit to them. They have said that things are going to change in 1967, so these things may have to be done all over again.

I really do not care if they get rid of the railways altogether—I say this sincerely to the minister—and put on road transport. I have not really been able to find out whether the Canadian public are subsidizing Smith Transport or the hauling of freight on Canadian Pacific, and I do not think anyone in this house is really aware of the breakdown with relation to the ownership of these road transport companies which the railways have incorporated.

One last question I should like to ask the minister is this. What is the matrimonial intention of Canadian National Railways with respect to Ontario Northland Railway? I notice that we have allowed Canadian National to send several of their senior officials to operate this railway. This will not do the railway any harm because in Ontario we have not been doing a very good job recently in regard to its operation. We have a commission made up of political appointments by the provincial government. This commission does not have any say in whether the workers can deal with their employer. The workers now find they must go to Toronto and deal with a department of government.

I had an opportunity of talking to one of these pseudo-Canadian National employees not long ago. He was of the opinion that he really was not dealing with the commission set up to administer Ontario Northland and that in terms of passenger traffic, freight, express and some of the other problems it was a matter of dealing with both Canadian National and the Ontario government directly in the capacity of an agency.

I believe the people of northern Ontario would like to know what the intention is in regard to this railway. If the railway is up for sale it would probably be a very lucrative buy for Canadian National if they intend to extend their operation. We have some excellent contracts there for hauling iron, pulp, paper and some other heavy commodities.

• (9:00 p.m.)

The railway needs some maintenance. Some new money could be put into expending branch lines to the iron ore properties that are being developed. The Ontario Northland, whether it is owned by the Ontario government or comes under the Canadian National, will need a terminal in our main city of Toronto. It is going to have to have some relationship with the other railways because of the passenger problem.

I suggest that if the minister really wants to do something, he could be open and aboveboard on this matter and indicate to members of parliament whether or not he really intends to have a committee look at passenger service across Canada. If he does not, the railways themselves will get rid of rail lines. When passengers find that they are unable to get reservations a week ahead of time or that the two crack trains that are running now are booked a month in advance, they will no longer be rail passengers, but will find alternative means of transportation. The railways will be able to get rid of passengers and passenger service in this way.

If this is the end result that the minister wants, all he has to do is sit quietly and do nothing about it. If I can judge the temper of the speeches made by members in this house, then I think a decision will have to be made by the minister which will not make it necessary to repeat these arguments when the new estimates come before us. Surely the Canadian public have indicated, through their members, that they want a passenger policy, and that this policy is not going to come from the Transport Commissioners but from parliament. We are really going to have to make a decision whether we are going to buy the Canadian Pacific or let them go out of the passenger business. We will have to decide if we are going to do something about subsidizing or upgrading Canadian National passenger service or whether we want to get out of that business and go into air transport. This is a large country. There is no question but that air transport could be the answer in many cases.

I think the country is anxiously awaiting a policy decision. I hope the minister will give us an indication he is going to make a very blunt decision that will decide the future of

the railway passenger business for the next 25 years in Canada.

Mr. Pickersgill: I did not believe I would ever see the miracle we have just witnessed of the hon. member for Timiskaming and the Leader of the Opposition both asking me to give leadership to this country. The shock is almost more than I can bear. I think I will probably have quite a lot of time to do this, although the hon. member for Timiskaming seems to be rather better informed about my future than I am myself.

Mr. Peters: I only know what I read in the newspapers.

Mr. Pickersgill: The hon. gentleman ought to know, if he has read newspapers for as long as I have, that he should take a lot of these gossipy stories with several grains of salt. For example, I have been reading a lot about my ill health. I told the Leader of the Opposition, when he asked me about my health on New Year's Day, that I thought my ill health was in part in the minds of some people who would really like to see me out of my present position.

Some hon. Members: Oh, no.

Mr. Pickersgill: I felt very much tempted to say that I have never felt better in my life, but I knew that phrase was copyright. If, in fact, I am going to stay in this portfolio until the railway legislation is passed, as well as several other pieces of legislation to which the hon. gentleman referred, and if the pace is going to be the same leisurely pace that we have witnessed for the last two weeks in parliament, I believe I am quite safe in this portfolio, provided I am spared, as Mackenzie King would have said, until at least 1971 or 1972. At the rate we are going I do not believe we will get more than one or two bills passed before Christmas.

An hon. Member: You are an optimist.

Mr. Pickersgill: Here we are on the first item of the estimates of the department after five days of discussion, all of it spent on the first item.

Mr. Starr: Would the minister permit a question at this point?

Mr. Pickersgill: Oh, sure.

Mr. Starr: Does the minister not think that if he had not made 34 or 35 speeches during consideration of the estimates we might have completed them by now?

Mr. Pickersgill: Well, I do not know, because the hon. member for Saint John-Albert said that if I had made an hour long speech at the beginning we would have completed these estimates long ago. The house leader on that side now says if I had not made so many speeches we would have been through. I do not believe it would have made any difference whatever.

Mr. Peters: Would the minister permit another question?

Mr. Pickersgill: Surely.

Mr. Peters: Does the minister not agree that if a national transportation policy, which we are told is now prepared, had been presented to the house, the discussion of transportation problems that has taken place probably would have been redundant?

Mr. Pickersgill: No, I feel quite sure that if I had made a speech on national transportation policy, no matter how reasonable or how sensible, there would have been at least twice as many speeches as there have been during this debate. I do not believe one would have to go to the other side of the house to get to that position. It just so happens that in a country like ours, we have been discussing national transportation policy since the days of the Charlottetown and Quebec conferences, over 100 years ago now. I said once, rather lightheartedly, that people talk about bilingualism and biculturalism, but if one really wanted to arouse the passions of Canadians all he had to do was mention railways. I think that long before we agree on a national transportation policy every little Canadian will be born speaking both English and French.

I am regretfully, therefore, not the least optimistic about evolving an agreed national transportation policy—it sounds much nicer to call it "national". I have listened to the speeches most hon. members have made, and there has not been much demand for a national policy. There have been one of two speeches that were not regional, but there have been any number that were just—I may say I am a terrible parish pump politician myself—

An hon. Member: Like the one now.

Mr. Pickersgill: Exactly; I am a terrible parish pump politician myself, and so are most of us. Most of the speeches have been parochial. If we are really honest, I do not believe many of us are more concerned with national transportation in the country than

we are with some of the local aspects of transportation. After all, national transportation is our job. We have to have some viable way of dealing with it.

• (9:10 p.m.)

Now, I imagine there are no 20 million people belonging to the same society anywhere in the world who pay so much for their transportation, whose transportation enters to such a great degree into the cost of living, as is the case in this country. The second point I should like to make is this: There is no other country with 20 million people in it in the whole world that depends so much for its standard of living on exporting a large proportion of its products to the rest of the world and, in so many cases, to competitive markets. Now, these two facts mean that if the producers in Canada are to get reasonable returns for what they produce, and what is sold in the export market, the cost of transporting the goods must not be too great. That is a basic fact about transport in this country. It may be that there are some areas, where the production is entirely for the local market or exclusively for consumption in Canada, in which this element is not so great; but it does affect all of us.

I also agreed with another thing said today by the Leader of the Opposition. I sent him a note earlier today to the effect that I hoped he would recover from the shock when I told him I agreed more with what he said about transportation than with anybody else who had taken part in the debate. I agreed with him for this reason. He said that we had to change; that we could not leave things as they are, that we had to be up to date. I am roughly paraphrasing his words. Perhaps I can claim to do this once in a while because he also does it, but I think I can say I am being completely fair. He was indicating that we have to have modern transportation in this country. That also means that, unless we are going to pay an exaggerated cost for our transportation in this country, when services become redundant they must be discontinued —however nice they were 25 or 50 years ago. If we are going to maintain a high standard of living and an opportunity for decent leisure for the old as well, then we have to be efficient. We have to be prepared to scrap out of date services and services that have ceased to be used to any marked degree. This is a fact of life that we have to face.

I know of only two ways, Mr. Chairman, in which we Canadians can pay for our transportation; and I think we have to pay for part of it one way and for part of it another way, if we are to have a sane and viable policy. It seems to me that transportation can be paid for either by the users or by the taxpayers. I do not know of any third way. It might just be possible for a very short while to do what some hon. members seem to have suggested—make the C.P.R. provide transportation at a great deal less than cost and pour the profits of its other enterprises into transportation to meet the losses. But I question whether that would last for very long. I have very grave doubts about what its effect would be on the whole of the Canadian economy, and no serious person who has studied this question has ever suggested that it should be done in this way. In any event, no matter how it is done, the amount of our manpower, our resources, our capital, our knowhow that we devote to transportation is going to have to come out of the sum total of what we produce. If the amount we expend on transportation is too high in relation to the rest of the expenditures of the country, we are going to be, not richer, but poorer. It seems to me that that is self-evident.

The hon. member for Burnaby-Richmond suggested that there ought to be a separate department of civil aviation. I know there are a lot of strong arguments for this course, and I am not saying that one day there will not be a separate department. However, my own opinion is this—and this is no mere desire on the part of an old man to hang on to his empire. At any rate, I have rationalized it, and my rationalization is that it is so frightfully important to integrate all forms of transport in Canada and to eliminate, as far as we can, the redundant and the wasteful and the really unnecessary and that, if we did not have one department of government and one minister to do these things, or try to do them, then they would not get done at all.

When I think of what my hon. friend, the Minister of National Defence, has been doing in these last three years and how he has been trying to integrate our armed forces—and I certainly think he has done that in a most admirable way—it seems to me that it is just as important—taken from a long term standpoint it may be even more important—to integrate our transport services in this country and to make sure that we do not devote unnecessary resources to them. That is my view.

I do think that the department is too big for one man. I must say I welcome the assistance I am already receiving from my

hon. friend, the Minister without Portfolio, and I am sure this assistance is going to grow more and more. If parliament would see fit to amend the law so that he could be an associate minister, no one would be more happy than I. I think this kind of division could be made. We should keep the whole spectrum together, but there could be some division between the more or less administrative functions and what I call, though I hate to use the word, the thinking.

Some hon Members: Oh, oh.

Mr. Churchill: What about your parliamentary secretary?

Mr. Pickersgill: Because a tremendous amount of thinking does need to be done in this field.

Once again I agree with the right hon. gentleman, the Leader of the Opposition, this afternoon in what he said about the importance of research and development in the field of transportation. I am not entirely sure that the specific suggestion that he made about having a research and development division of the Department of Transport is necessarily the most satisfactory way to deal with the problem; but that research should be done and that it should be co-ordinated is frightfully important.

One reason the Canadian National Railways have made quite a number of advances in the last few years which have made it today one of the most efficient railways in the world is that Dr. Solandt, who had been in charge of research and development in the armed forces, went to the C.N.R. and built up a research division there which has had a very considerable effect on the railway. There is not any doubt in my mind that we need more research and development. We need more co-ordination and we need more planning to provide the best possible transport services for this country.

With regard to the other question, I said a few moments ago that I knew of only two basic ways in which we Canadians could pay for our transport services. One is by having the users pay for them; the other is by having the taxpayers pay for them. I said I did not think that transportation could all be paid for by the users because there are some services which are essential to hold this country together, services which the users simply could not pay for directly because they would not be sufficiently used, and the development of some of the outlying parts of Canada would not take place.

I would also suggest—and I say this not because I think profits are more important than service; in fact, I do not think anyone can go on making profits for long if he does not give service—that there is a simple, easy and automatic way of finding out whether a service is really needed; and that is to subject it to the test which the economists call the test of effective demand, which is the willingness of people to pay for the service.

In the main, I believe that where the volume of traffic is sufficient to make this test possible, and above all where there is some competitive mode of transport, this is far and away the more satisfactory way of doing it. But I do not deny for one moment that there are many services that are essential to this country which cannot be paid for by the users.

• (9:20 p.m.)

In the first place I do not deny that we should never have had confederation, or we should never have had British Columbia in confederation in 1871 without the $25 million and the 25 million acres of land and the other things that went into the Canadian Pacific which, if capitalized today, would—and I draw this to the attention of people in British Columbia who are constantly talking about the Prince Edward Island causeway—represent a very much more substantial subsidy from the people of Canada to bring British Columbia into confederation than any paid in eastern Canada at the present time. I think that that kind of argument which has been raised is a divisive argument which I do not want to become involved in, and is one which we should forget if we want to adopt a national outlook.

Mr. Barnett: May I ask a question?

Mr. Pickersgill: Certainly.

Mr. Barnett: I am interested in the observation about the capitalization of the 25 million acres. Is that not putting it the wrong way round? Would it not be better to ask if the people of Ontario were not glad that they were linked to British Columbia?

Mr. Pickersgill: That is just the kind of argument that I think is dull, stale, unprofitable and un-national. Either we want to have British Columbia in Canada or we do not. I think one of the greatest political miracles of our age was when the little Canadian parliament in Ottawa pulled off, four years after confederation, the feat of getting British Columbia, which was 3,000 miles away, into

this country and thus making Canada possible.

Some hon. Members: Hear, hear.

Mr. Pickersgill: I also think that Canada would never have been the kind of country that some of us are proud to have it if we had not in 1949 been willing to do one or two quite revolutionary things that were quite upsetting to the existing federal-provincial relations, as the hon. member for Burnaby-Coquitlam well knows, in order to make it possible for a provincial government to exist in Newfoundland and thereby to bring Newfoundland into confederation.

Now the price that we have to pay to conserve this half continent as a separate country is probably in many ways, financially and economically, higher than it would have been to take the alternative of throwing up our hands and asking the United States to take us in on some kind of terms.

Mr. Peters: Just because we cannot run our railroads?

Mr. Pickersgill: Well, the hon. member says that that is just because we cannot run our railways. Notwithstanding what one hon. member said about the superior efficiency of the railways he travelled on in Egypt, India and so on, I do not think he intended us to take that very seriously. Whatever grievances we may have against the Canadian railways, I do not think that their capacity to run railways is in question at all. There may be many questions about the manner in which they do run them, but about the capacity of Canadians to run railways—well, I think that is as great as that of any railwaymen anywhere.

What I want to say I think I can put into one sentence. It is that my conception of the foundation of a national transportation policy is ultimately to have the best possible transportation, by the best mode that we can get and that we can afford in relation to our total production, so that we do not spend all our income or too large a part of it just on transportation. There are some other benefits, I would imagine, that Canadians want out of their lives as well as transportation. My conception would be that wherever possible, that is wherever it is reasonably possible, transportation should be paid for by the users, and that the government should look very hard at every case where a subsidy is asked for to make sure that what is required is really, in national terms, worth the subsidy. I think, if it is necessary for the preservation of any part of British Columbia or of Vancouver island to provide shipbuilding subsidies for ferries, it would not break my heart to have to change my view. If I may be parenthetic about it, I do think that, for the first time, the people of British Columbia know that one third the cost of these ferries came out of the treasury at Ottawa. They would not have known that at all if this policy had not been announced the other day and if the premier had not complained about being so badly treated. If we came to the conclusion that Mr. Bennett would build the ferries in Japan unless we gave him a subsidy, then rather than have him go to Japan I think we ought to take another look at the question.

An hon. Member: He ought to go too.

Mr. Pickersgill: Well, if it is just a question of Mr. Bennett's going—

Mr. More: Would the minister say that the premier of Newfoundland lets the people there know that there are some shared costs? I have never met anyone from Newfoundland yet who did not think that everything came from Joey.

Mr. Pickersgill: I will tell the hon. gentleman that the federal government, since the present government came into office, has been paying in the four Atlantic provinces $90 out of every $100 of the cost of the trans-Canada highway. In the province of Newfoundland, on every stretch of highway that was being built during the last three years—and I might add that the highway is now completed—there was a sign saying: "We will finish the drive in 1965, thanks to Mr. Pearson." I point out that there are no signs like that in Nova Scotia.

The Chairman: Order, please.

Mr. More: Were those signs put up in 1963, and moved from place to place?

Mr. Pickersgill: Yes, they were moved from place to place as the road was finished.

An hon. Member: Who paid for the signs?

Mr. Pickersgill: I would be willing to pay for the signs for Mr. Stanfield, if he would put them up.

An hon. Member: I am sure that Premier Stanfield would not mind paying for them.

Mr. Pickersgill: Mr. Chairman, I do not know whether I am running out of time.

An hon. Member: Let us get back to the railways.

Mr. Pickersgill: Mr. Chairman, I do not think that I should attempt to give any elaboration at this time, on the first item of these estimates, of a national transportation policy. I do think that I will take the advice of the hon. member for Saint John-Albert and I will try, in presenting my estimates for 1966-67, to give an elaboration on the basis of the foundation that I referred to tonight. I know that a number of specific points have been raised in the debate. However, looking at the clock I see that I have exhausted my time.

An hon. Member: Gc ahead.

Mr. Pickersgill: Are hon. members willing to let me go ahead?

Some hon. Members: Go ahead.

Mr. Pickersgill: I will try to deal with some of these specific points which have been raised, and I think that perhaps I should begin with a self-denying ordinance. I do not think it would be appropriate for me at this stage, for two reasons, to discuss the question which I think has been discussed more than any other on my estimates.

• (9:30 p.m.)

As hon. members know, the management of the Canadian Pacific are coming here as soon as the transport committee wishes to call them, and the terms of reference of that committee are very wide. I would hope—and I share this hope with the hon. member for Timiskaming—that we will confine ourselves to the question of passenger services and not spread ourselves all over the lot. I agree that if we choose to do the latter, the committee is likely to be far less productive than if we deal entirely with the very serious problem of passenger services—and it is a very serious problem.

Nevertheless, I do not think I shall say anything about it tonight, for two reasons. First, as hon. members know, there are a number of petitions lodged with the governor in council appealing against the decision to cancel the "Dominion". I am a member of the cabinet which will have to consider these appeals and I think it would be improper for me at this stage to prejudge the case before hearings have taken place. And I do not think I could talk about passenger services in general without seeming, at any rate, to prejudge the case. I think it would be better if I simply noted this matter.

Mr. Douglas: Before the minister leaves that point, could I ask him whether there is necessarily any relationship between the two matters? I mean the passenger service generally, to be considered by the Committee on Transportation, and the question of the "Dominion" which is going before the cabinet. I take it that the latter will not be held up pending some decision on the former question.

Mr. Pickersgill: I do not think that is likely to arise, provided the committee proceeds with reasonable dispatch. One of the petitions, the petition from the government of Alberta, arrived only a short time ago. Indeed, I first saw it today. There has not been time to consider it yet. Then again, we have had notice that there will be one or two further petitioners and I do not think any attempt will be made to reach a decision until we have all the petitions in front of us. As to whether or not we should make a decision before the committee has completed its consideration of the passenger service, I would say there are arguments on both sides. I do not think I should give an answer on that matter tonight; I think I should consult my colleagues.

Mr. Bell (Saint John-Albert): Would the minister keep in mind that some of these delegations from western cities are coming here, presumably, to make an appearance before the committee which is considering the affairs of the C.P.R., but also to interview cabinet ministers in connection with the appeal?

Mr. Pickersgill: I do not think this will present a problem. The mayor of Moose Jaw, who is spokesman for eight or ten cities across the prairies has indicated clearly that they are not appealing the decision about the "Dominion" but are coming to make representations to the cabinet about passenger service generally. There would not necessarily be a conflict. Nevertheless there is an awkward problem and at the moment, I do not feel I can give an adequate answer.

Mr. Smallwood: Would the minister permit a question? The argument I advanced yesterday in this debate was that the railroads were not delivering the grain to the ports. After I had finished speaking the minister gave us certain figures covering the last six weeks—the number of cars loaded on the prairies and the number of cars unloaded at the ports. On adding up these figures I found

there were 2,745 cars loaded on the prairies and 3,130 cars unloaded at the ports. So between the prairies and the ports they apparently picked up 385 loaded box cars.

Mr. Pickersgill: I have not had the benefit of the higher mathematics of the hon. member for Battle River-Camrose. I think I will have to examine them before I venture on an explanation. It occurs to me that if I wanted to write a thriller it would be called "the disappearing box car". It is perfectly clear that it is not only for wheat we are short of box cars. My hon. friend from Cochrane spoke to me yesterday about the difficulty the lumbermills were having in part of his constituency in getting box cars to move lumber to the markets. The plain fact is we are producing so much wealth in this country and are able to market so much wealth that we just do not have the transportation facilities to carry it all and we had better hurry up and get more. That, I think, is the only real solution to this problem.

I could go on to deal with a number of other questions which were raised. I know my hon. friend from York-Humber would not mind if I do not go into the question of water levels today.

Mr. Beaulieu: May I ask the minister if I can put a question to him before the debate is over? In my constituency of St. Jean-Iberville-Napierville we have an airport. For three or four years people have been asking that the landing strips there should be lengthened. The department has expropriated land there, though no payment has been made in respect of it. I know we are considering last year's estimates but I should like to know whether this money was paid or whether provision is made for it in next year's estimates.

This airport is very close to Montreal. It is closer to Expo than is Dorval airport itself—15 miles closer. If there were longer running lanes at this airfield pressure would be removed from Dorval. We have the need. We have an aircraft industry which employs a great many people. If this work could be started now it would help even more of those in my constituency.

• (9:40 p.m.)

It was formerly a training camp for the air force. The buildings are there. It is close to Expo. It is about 1 to 2 miles from St. Jean, and 12 to 15 miles from Montreal. I want to ask the minister for a clear answer. Is there an amount included in the budget for next year to start this work, so that it will be ready in time? I will speak about Expo later, but at the moment it is essential that this matter be not left up in the air.

Mr. Pickersgill: The hon. gentleman is a new member, but he, having experience of some considerable magnitude in another assembly is aware—I think he has indicated it himself—that there is no provision in the estimates for 1965-66, which are the ones before the committee. I would be very glad to discuss the matter and give him an answer when we come to my other estimates, and in the meantime I shall give the hon. gentleman an answer privately.

Now, sir, I will deal with these things in the order in which they were raised and I hope hon. members will not mind if, in the case of any subject that is likely to be of continuing interest, I do not deal with it tonight but deal with it on the next instalment of estimates.

In his first speech the hon. member for Lapointe mainly discussed competition between the railways and the trucking industry, a very large subject which should be part of any broad statement of national transportation policy. If it were agreeable I would prefer to deal with it in that context.

The hon. member for Medicine Hat discussed the railway question and I think I have already said all that I ought to say at this moment about that.

Mr. Grégoire: Can the minister tell us when he intends to speak, or to give us the policy of the government on this question of subsidies to the railroads for the transportation of merchandise? When will the minister give this?

Mr. Pickersgill: Actually, of course, the whole question will come up in connection with the railway legislation, and it was provided for in the bill that was introduced last year; but I do not think that the bill will be introduced in the same form this year. We are still giving consideration to this matter, and it would not be proper for me at this moment to report on things which have not finally been decided.

The hon. member for Winnipeg South discussed a matter which at some stage I want to discuss at considerable length in the house, but I do think there is one point that I ought to try to make as clear as I can. It is this, that in respect of the bilateral negotiations the basic principle that was followed, as I understand it—these negotiations began some

time before I became minister and they were in midstream before I became actively involved in them—was that if a place was served by a United States air line that line would have priority, and if it was served by a Canadian line that Canadian line would have priority; but wherever there was enough traffic for both a Canadian and a United States line, in general the desire was to provide for what is usually called double tracking.

When the negotiations were almost completed a deadlock developed over the question of whether a United States line would be allowed to fly from Chicago to Montreal in competition with a route that was to have been reserved exclusively for Air Canada, and whether a Canadian line would fly direct from Winnipeg to Chicago. There was a real deadlock and it lasted for months. We indicated to the Americans that we were prepared to conclude the agreement on either one of two terms—either they would withdraw their request for an American line between Montreal and Chicago or, alternatively, they would agree to our having a flight from Winnipeg to Chicago.

Financially the Montreal-Chicago monopoly for Air Canada is considerably more valuable than any value that could reasonably have been placed on the Winnipeg-Chicago route. Therefore I thought, and I believe all the Canadian negotiators thought, that if the deadlock was broken at all it would be broken by the Americans conceding the Winnipeg-Chicago route. No one was more surprised than I when to the contrary, the Americans withdrew their request for Montreal-Chicago. We had given them the alternative and, having given it, we either had to have no agreement at all, or make the agreement.

The agreement, of course, does provide for a direct service by the American line from Winnipeg to Minneapolis, which has not existed in the past, and if the prospects of traffic in Winnipeg are anything like what most of us believe they will be, I think our case is going to be irresistible at the next run. But we had reached the conclusion that otherwise we could get no agreement at all, and, notwithstanding what some people have said, I think the balance of advantage on the bilateral is pretty even between the two countries and it is going to provide a very considerable benefit to the users in both countries.

As I say, we were faced with a very awkward position. It was particularly unpleasant for me because I had really hoped very sincerely that we were going to get this Winnipeg-Chicago flight, and I believe in time we are going to get it. After he has had more experience here I do not really think the hon. member for Winnipeg South will find that there is any deliberate attempt on the part of this government, or that there would be on the part of any other government, to ignore Winnipeg, or any other part of Canada. But this particular government, although we represent various provinces, has three or four Winnipegers in it who are all pretty sentimental about Manitoba and it certainly has no hostility to Manitoba or to Winnipeg.

In his maiden speech the hon. member for Port Arthur made a very thoughtful and enlightened presentation of the railway problem as it looks to people in Northern Ontario. I am sure that in Northern Ontario, where I understand many of the roads are still rather rudimentary, the railway bulks even larger as a form of transport than it does on the prairies. But here again we will have a chance to go into this question when the C.P.R. is before the committee.

The hon. member for Moose Mountain discussed the railway problem in a very moderate and reasonable fashion, and he again will have his chance in the committee.

• (9:50 p.m.)

The hon. member for Vancouver Quadra, the hon. member for Coast-Capilano and, more recently, the hon. member for Burnaby-Richmond all discussed the problems of the port of Vancouver. My hon. friend the Minister of Northern Affairs and National Resources is going to carry me out to Vancouver bodily one of these days and keep me there until I have undertaken to do all the things that are necessary to improve that port, which is rapidly becoming one of the greatest ports in the whole world.

The hon. member for Kindersley spoke about the C.P.R. and about the Saskatoon television station. I will pass on what he said in that regard to my colleague, the Secretary of State.

I can assure the hon. member for Pictou that I will deal with all the points he made and will be in touch with him about them. We had a little exchange across the floor of the house. We understand one another pretty well anyway.

The hon. member for Brantford made a speech about the Grand River which touched my heart, because my ancestors came to Upper Canada at the same time as Joseph Brant, and anything I can do to help develop that part of the country, which I cherish, I will be glad to do.

The hon. member for Sherbrooke spoke about the airport there. I am taking his observations into consideration.

We had a most exciting tour around the Gaspe with the hon. member for Gaspe, munching sandwiches as we went, and I will look into the various points that he raised.

My hon. friend from Burin-Burgeo talked about one of the most difficult of all problems of national transportation—and this is a national problem—along the rugged coasts of southern Newfoundland. I do not think I need assure him or anyone else that that is something in which I am greatly interested.

I think we were all interested to hear the contribution made by the hon. member for Nickel Belt who spoke, I thought, very moderately about the C.P.R. considering he was a C.N.R. man. He certainly knows something about railways.

The hon. member for Simcoe East made an appeal about the Trent canal that touched my heart. If he can do as much with his friends in Toronto as I can do here we may make some real progress.

The hon. member for Chapleau spoke about airports in the northern region he represents. We are in discussions with the town of Amos at the present time about the airport there. We are also looking into the other problems which exist at Chibougamau. The name of the other place with which we are having discussions escapes me for the moment.

The hon. member for Melville cut his speech short, for which I am grateful. We are giving most serious attention to the theme of that speech, which was the Freedman report.

The hon. member for Skeena, apart from applying for a job in my department, made a very important and interesting speech mainly about two topics; the wharfage on the floats in his constituency, about which I want to have some discussions with him because we are reviewing this whole matter, and about safety in shipping. I have quite a long speech on this subject which I could make, but with the indulgence of the committee I would prefer to make it at another time.

[Mr. Pickersgill.]

The hon. member for Cochrane, like myself, is exceedingly interested in his own constituency and spoke about the problems there about which he and I will do our best.

The hon. member for Kamloops made—I was almost going to say the standard speech about the C.P.R., but he made it in the way to which we were accustomed, we old timers here, who remember him when he was here before.

One of the most interesting speeches made during the entire debate was made by my hon. friend from Kenora-Rainy River. I believe he is the youngest member of the house and he certainly knows a lot about railways.

The hon. member for Assiniboia also spoke about railways and the movement of grain.

The hon. member for Vancouver East, and I should have mentioned him earlier with the other members for Vancouver, made a speech about the development of the port of Vancouver. I hope it will be possible for him to be in Vancouver when I am there because I know he will have something to say about this subject.

Mr. Monteith: Arthur would be glad to have him along on the tour.

Some hon. Members: Carried.

Mr. Pickersgill: If hon. members would like to carry the item without going along with my catalogue, I will be pleased to concur in that action.

Mr. Nowlan: Before the debate on item 1 is concluded I should like to direct a question to the minister, in view of something he said during his cataloguing about Newfoundland. I wonder whether the minister when he was in Nova Scotia saw a sign which said: Here is the road; it is nice and wide, like the guide lines from America; so beware of the signs.

Mr. Pickersgill: It is quite evident that the hon. member for Digby-Annapolis-Kings is going to be the wit of the House of Commons. I feel sure that as time goes on he will endear himself to the members of this house, on a personal basis, as his father did and, if he does, he will have accomplished a lot.

Mr. Howard: In the minister's earlier remarks he said there were some things the other members have dealt with which he could not deal with at this time. He said he wanted to discuss them with his colleagues. I felt that if he discussed these between now

and tomorrow he would be in a position to make a statement then. I did not list these items but it seemed to me they were items that should be dealt with under item 1.

Mr. Pickersgill: I wonder whether, on this specific item the hon. member has in mind, we could deal with it when we are considering the appropriate item, allowing us to carry item 1?

I do not think there is anything I expect to discuss with my colleagues between now and the time one might reasonably expect to carry these estimates.

Mr. Howard: I have no objection to allowing item 1 to carry if the minister gives us his assurance that I can raise this matter of safety at sea and on the St. Lawrence Seaway during our consideration of his estimates.

Mr. Pickersgill: I am quite prepared to make a statement about safety in shipping at any time, but it is rather lengthy.

I think this item can properly be raised on the first item connected with marine services.

Mr. Howard: Perhaps I could call it ten o'clock and follow up with respect to these shipping matters tomorrow.

[*Translation*]

Mr. Grégoire: Mr. Chairman, we would be quite willing to pass Item 1, but we put a few questions to the Minister of Transport (Mr. Pickersgill) and we would like to have an answer. Amongst others, the minister has not replied to the question about the airport at Bagotville, nor to the question on winter navigation on the Saguenay and the St. Lawrence.

I believe those are the two main questions which we would like to have answered.

[*English*]

Mr. Pickersgill: If the hon. gentleman is agreeable and we can carry item 1 at this time, I will be glad to answer questions raised concerning railway and air services.

• (10:00 p.m.)

Mr. Starr: Mr. Chairman, in view of the fact that it is now ten o'clock I am going to address my remarks in the form of a question to the Minister of Public Works in his role as government house leader. I would ask the minister whether he would hold off the estimates of the Department of Transport until the end of all the estimates, in view of the fact that it is quite obvious to me that the Minister of Transport is determined not to allow his estimates to go through.

Some hon. Members: Oh, oh.

Mr. Starr: I think we should consider the estimates of other ministers who will be more co-operative and willing to have their estimates passed. This is a suggestion that the government house leader should take under serious consideration overnight.

[*Translation*]

Mr. Grégoire: We object to this. As item 1 of the Department of Transport is now before the house, we feel it would be better to complete consideration of the estimates of that department.

Now, I find that the minister has been most obliging in rising to answer every question asked, and the Conservatives generally object to this—if the ministers do not answer, they complain, if the ministers do answer, they still complain. I think the house should carry on with the consideration of the Department of Transport's estimates. Personally, I have always obtained answers to the questions put to the minister. I think the minister can supply the answers and the house should continue with this department in spite of the suggestion made by the Conservative house leader.

[*English*]

The Deputy Chairman: Shall vote 1 carry?

Some hon. Members: Carried.

Some hon. Members: No.

Mr. Starr: No, Mr. Chairman; I call it ten o'clock.

Mr. Knowles: Mr. Chairman, I was wondering whether we could not have the assurance that the answers to any of the questions we have asked on item 1 would be given on one of the other items? With that assurance we might agree to pass item 1, but nothing more, tonight.

Mr. Pickersgill: I would certainly give the assurance in the most unqualified manner that any question I have not dealt with tonight and which any hon. member wants answered—

Mr. Knowles: The minister might even complete the indexing job he has been doing respecting the debate of the last five days.

Mr. Pickersgill: I should be very glad to do that right now, Mr. Chairman, if hon. members would give me another five minutes.

Mr. Grégoire: Mr. Chairman, I do not think that would be good for the study of the estimates. It would mean we would start this discussion all over again on the other items. It would be better to leave the questions that have been asked and to which we just need answers.

Mr. McIlraith: Mr. Chairman, I was asked a question a few moments ago. I think there is an appreciation on the part of all hon. members in the committee that some method should be found for having a full examination of all the items but at the same time being able to do so within the fiscal year. We have spent two weeks and one day discussing the estimates of the year almost past and have succeeded in passing the estimates of only one department so far. There are the estimates of some 25 departments to be passed. I would hope we could find a workable system that would have the estimates for 1965-66 adopted by the committee, particularly in view of the fact that the estimates for next year have been tabled in the house—

Mr. Starr: That has nothing to do with it.

Mr. McIlraith: —that the standing committees have been appointed and we are operating under new rules which will mean that those estimates will be referred to standing committees for examination. I think that will provide a better way for getting information about departmental activities. I am wondering whether we could not come to some consensus in this committee to make more rapid progress consistent with members obtaining the information they feel they would like to have about the various departments.

Mr. Starr: Mr Chairman, with regard to the matter raised by the government house leader, we in this party stopped debating the first item of these estimates two hours ago, or perhaps two and a half hours ago, in the hope that the first item would be passed and we could then question the minister on the items following the first one. However, I see no sense in carrying on and trying to be co-operative when the minister himself takes up half of the time of the whole debate. He has just finished speaking for exactly one hour, and this was one of the 34 or 35 times he has been on his feet. I do not believe that is necessary. I appreciate the fact he made a very nice speech, but he should have made that speech at the beginning of his estimates, and probably that would have eliminated a lot of the speeches that were necessary. This is the point I want to bring out. You can get the co-operation of the opposition if you do not try to talk out your own estimates.

Mr. McIlraith: I want to point out that I had a very careful analysis made of those who have spoken on these estimates up until noon today. While I may have an opinion about some taking too much time or some taking too little time, I do not believe that opinion would be of any interest or concern to the house. I believe that we have to operate on the system where each member has a right to ask whatever questions he believes are appropriate on these estimates, and the minister must be given an opportunity to answer.

In the final analysis, there are two effective checks of any abuse of this system. The first one is the common sense of the hon. member and the second is that at election time the voters will leave at home any hon. member who does not use common sense.

An hon. Member: A lot of your people did not do that.

Mr. McIlraith: I could retaliate with certain comments about hon. members opposite, but I do not believe that would serve any useful purpose. I am not going to do it. I am quite sure each one of them could reply in kind. This would get us nowhere. I appeal again for hon. members to give some thought to the problem that is confronting this house, and ask them to try to find a way of meeting the problem. If they have any ideas to put forward certainly I, as house leader, will be glad to hear them.

Mr. Douglas: We have tried to get this first item passed for the last ten minutes. I see very little value in lecturing the committee if we are willing to pass the item. I have not heard any objection to passing it, provided we have the assurance that we will be able to discuss these questions on other items.

The Deputy Chairman: Shall the item carry?

Mr. Starr: We are prepared to pass it now without any further word being spoken, but if there is anyone else who wishes to participate in this debate then we have four or five members whom we have asked to co-operate by withholding their speeches. If others are

going to carry on, then it is only fair that we should allow our members to make those speeches they are prepared to make.

The Deputy Chairman: The hon. member for Medicine Hat.

Mr. Churchill: I do not know what is going on, Mr. Chairman, but you are continuing to call members. The hour is ten o'clock and it has been called half a dozen times. However, you are still asking members to get up and speak. I think this is quite wrong. Either we decide to carry on for another half hour or something like that, or we call it ten o'clock and resume tomorrow. This is quite incorrect, to continue in this fashion when it is past the hour for adjournment.

The Deputy Chairman: Shall I rise, report progress, and request leave to sit again?

Mr. Starr: I appeal again, that if all members of this house wish to carry this item now without further speeches, we are prepared to do that. If members wish to carry on tomorrow, then we will continue with the four or five members who want to speak.

The Deputy Chairman: Shall the item carry?

• (10:10 p.m.)

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, may I have clarification—

The Deputy Chairman: Order. Shall I rise, report progress, and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

[*Translation*]

THE CONSTITUTION—REQUEST TO SET UP A CONSTITUTIONAL COURT

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, at a previous sitting, I was allowed to put the following question tonight to the Minister of Justice (Mr. Cardin):

In anticipation of a constitutional reform, or a constitutional interpretation, or an eventual formula for amending our constitution, is the minister considering convening provincial attorneys general to set up a Canadian constitutional court?

Mr. Speaker, my remarks do not reflect in any way on the integrity or personal competence of the Supreme Court justices. They are purely objective and seek to describe the organizations required for the advent of a positive and balanced federalism in Canada.

In a truly federal system, it is important that the arbitrator of constitutional disputes between the two levels of government be independent and impartial and not subject to one of the parties in the dispute, in Canada.

Before 1949, our tribunal notably on constitutional differences between Ottawa and the provinces, was the Privy Council in London. Neither of the Canadian governments had authority over the appointment of the judges. Thus, the objective character was maintained. The provinces also secured favorable decisions against the sometime centralizing efforts of the central Government.

But, in 1949 Canada abolished appeals to the Privy Council and did not establish a true impartial constitutional court when it gave the central government sole authority for appointments to the Supreme Court, and to the latter, the exclusivity of decisions.

That is why the provinces refuse to let the Supreme Court rule on the case and at this time they would rather resort to political negotiations.

If I may digress for a moment, is it necessary to bring back to mind the mining rights on the continental shelf?

In 1949, Ottawa made a mistake and did an injustice that has to be corrected as soon as possible, because 1949 saw the amendment of the constitutional interpretation given in 1867.

It is necessary to convene the representatives of the provinces with a view to creating a federal type constitutional court which would not be the exclusive organization either of the central government or of the provincial governments.

Representations made before different commissions require or suggest constitutional reforms.

The constitution too is subject to interpretations. I just referred to mining rights. There is also the matter of family allowances, where certain persons and certain provinces, question the constitutional validity of the law in view of the fact that it is an indirect meddling in the field of school attendance.

There is also reference to a formula for amending the constitution. Conflicts and interpretations that may arise between the central government and the provinces or

some provinces will have to be submitted to an objective court representative of the parties involved.

That is why, Mr. Chairman, there must be established a constitutional court with judges appointed by Ottawa and the provinces. I would therefore call upon the minister to take this suggestion in serious consideration and to convene the provincial attorneys general at an early date for this purpose.

Hon. Lucien Cardin (Minister of Justice): Mr. Speaker, I listened with great interest to the reasons given by the hon. member for Sherbrooke (Mr. Allard) for inviting the attorneys general of the provinces to examine the question of setting up a constitutional court.

There is no doubt that, in this respect, the hon. member reflects quite accurately the findings of several committees and seminars on the subject, where the setting up of a court to settle the constitutional problems of Canada was advocated.

Now, I think that the hon. member was right to point out that the judicial committee of the United Kingdom was replaced by the Supreme Court of Canada.

We have had in Canada a court which in fact was a real constitutional court and I do not admit at all the arguments of the hon. member for Sherbrooke to the effect that, considering the way appointments are made, the Supreme Court might not be independent and that its judgments were not objective. I maintain that, in its deliberations and constitutional decisions, the Supreme Court was always completely independent and very effective. As a matter of fact, it has rendered great services to Canada thanks to its decisions on constitutional matters.

I suppose that the hon. member did not want to question the objectivity of the Supreme Court. His suggestions about the constitutional court might have some value, although I do not know to what extent they are worthy of consideration, but there is no doubt that the amendment of the constitution must be studied by the government. There are also other organizations, such as the provinces, which can also make other suggestions along these lines.

The constitutional court advocated by the hon. member may be a good idea, but it should be ascertained whether it is timely to broach this matter. In fact, officials of the Department of Justice have not yet seriously considered convening attorneys general to discuss the matter. Of course, we think it will be necessary, at a given moment, to arrange a meeting of the federal and provincial authorities in order to study this problem, but this is not contemplated at the moment.

The suggestion of the hon. member for Sherbrooke may have its merits and I can assure him that it will not be disregarded.

At the moment, however, there is no question of convening the attorneys general.

Mr. Valade: When will it be appropriate to convene them?

Mr. Cardin: Mr. Speaker, the hon. member can answer this question just as well as I can.

[*English*]

• (10:20 p.m.)

HOUSING—TORONTO—COMMUNITY CENTRE FACILITIES FOR DOWNTOWN DEVELOPMENTS

Mr. D. S. Macdonald (Rosedale): Mr. Speaker, yesterday I raised the question with the Minister responsible for Central Mortgage and Housing Corporation as to what response the Corporation had made to a proposal for the construction of a housing development in downtown Toronto to be known as Trefann Court and more particularly whether any recommendation had been made to include a community centre as part of that development.

By way of setting the scene I would refer to a report in the *Globe and Mail* of February 10, 1965 in which it is stated:

> City Council yesterday approved the final draft of a $9,144,000 urban renewal plan for Trefann Court, a rundown 24 acre industrial, residential and commercial area bounded by Queen, Parliament, River and Shuter streets.

This is in downtown Toronto. I would point out that Trefann Court is in immediate proximity to what is probably the heaviest concentration of public housing in any constituency in Canada—Regent Park North and South.

To illustrate the high population within a few city blocks I would refer to the following information made available to me by Central Neighbourhood House, a united appeal agency which has done yeoman service in this neighbourhood. In the North Regent development there is a population of 5,153 people of whom some 2,612 are children. There are 1,400 families. In South Regent there are 3,801 people of whom 2,419 are children divided among 732 families. In other words, there are more than 5,000 children in these developments within a few blocks.

I am sure the housing authorities, city, provincial and federal would all agree that if they had an opportunity to begin again they would not have planned the Regent Park development in its present form but would have dispersed a larger number of smaller public housing developments throughout the residential downtown districts. But they cannot have second thoughts in this regard. A heavy investment has been made. Therefore the question remaining is how to provide the best possible environment for these residents.

At the time Regent Park North and South were constructed only limited facilities were provided for recreation. This was in accord with the statutes existing at the time which provided only limited authority to C.M.H.C., although in both cases C.M.H.C. had contributed to the cost. As the house knows, by the 1964 amendments substantial increases were made in the sums available for public housing, particularly toward capital cost. My proposal this evening is that the same amounts should be made available to provide better recreational facilities and more particularly a community centre to serve not only the projected Trefann Court development but the Regent Park South and North developments as well.

In parenthesis I might add that my hon. friend from Spadina (Mr. Ryan) has also been active in proposing this kind of development through the medium of St. Christopher House in Alexandra Park. I do not minimize the city's financial difficulties when it comes to providing this accommodation. Toronto has a tightly stretched budget and its income cannot be extended on the present limited tax base. It is for this reason that the senior levels of government have come forward to provide assistance in respect of public housing and, in the case of the recent amendments to the statutes, to provide the lion's share of assistance through Central Mortgage and Housing Corporation. I am asking that this assistance be extended to a community centre in the new area of Trefann Court, assistance which will also be of benefit to Regent Park.

The minister in his efforts to promote public housing has earned the consideration mentioned in two lines from a poem by John Masefield—

> And he who gives a child a home
> Builds palaces in Kingdom come.

The minister and C.M.H.C. have sought to do that. I would urge them to try to earn the reward mentioned in the preceding couplet.

> And he who gives a child a treat
> Makes joy-bells ring in Heaven's street.

The treat in this case is to provide for those who have not had good luck, the opportunity for good recreation in a community centre, to provide for those at a disadvantage the advantage of better neighbourhood facilities. I hope this particular appeal can find some response from the corporation.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, the question that was asked yesterday was:

> Has C.M.H.C. recommended to the city of Toronto that the plan for the Trefann Court housing development in downtown Toronto include community center facilities for the Regent Park and Trefann Court developments?

I might say that yesterday C.M.H.C. received their first communication on this subject. It was a letter from the city of Toronto enclosing what they referred to as a report, report No. 13, from the board of control, relating to the Trefann Court development. The purpose of this letter was to advise the corporation that it was the intention of the city of Toronto to apply to the federal and provincial governments for financial assistance in the implementing of an urban renewal scheme in downtown Toronto, that is, in the Trefann Court development area.

I might say that, subject to the approval of the province of Ontario, because the initiative here rests with the municipality and the province concerned, C.M.H.C. is prepared to consider and make recommendations to me, as the minister concerned, respecting the extent of financial contribution under the act to worth-while projects. According to my information this particular project involves, not the amount mentioned by the hon. member for Rosedale (Mr. Macdonald), but a sum slightly in excess of $5 million. But that is not the point. Nowhere in the communication received from the city of Toronto is there any reference to a community centre.

I might say that this is probably accounted for by the fact, as mentioned by the hon. member, that until the 1964 amendments to the act it was not possible to provide recreational facilities of the kind suggested by the hon. member. That probably accounts for the omission in this proposal put forward by the city.

Proceedings on Adjournment Motion

I think I have already announced to several members belonging to different parties in the house that the government is now seriously considering a number of recommendations that have come in from different parts of Canada as a result of the 11 or 12 urban renewal and housing symposia which we held across the country last year and the year before. We have received some very constructive and worth-while suggestions, among them one as to what more might be done to improve certain areas that could hardly be described as urban development areas, and also that work might be done on existing houses in older sections of our cities.

The government has reached no conclusions on these recommendations. I have agreed to meet with some members of the house and officials of the Corporation to discuss suggestions of this kind. I would be very glad to do so with other groups interested, but before these proposals can become law they must first be discussed with all of the different provinces. I must also say that I am personally sympathetic to the suggestion that public housing that was built 10 or 15 years ago, when there was no possibility for providing recreational facilities, should be considered in this respect since these facilities can be provided today for new public housing projects. I cannot say what the government's action will be but I can assure the hon. member, and any other members interested, that if proposals of that kind are put forward in the way they were put forward by the hon. member tonight, they will receive serious consideration.

PUBLIC SERVICE—PRINTING BUREAU EMPLOYEES ENGAGED IN PRIVATE PRINTING

• (10:30 p.m.)

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, initially I must say that I apologize to the minister for keeping him here this evening, because of the personal situation of which I am well aware. However, I did ask this question today on orders of the day. It is regrettable that an answer was not allowed because I am sure the minister had one. I believe the implications that are evident and to which I referred, appearing in the Canadian Press dispatch, would warrant a reply by the minister. The question I asked today was: Does the minister condone permanent employees of the Queen's Printer to be directors of or directly interested in a private printing syndicate outside the function of the Queen's Printer? This evening I intend to elaborate a little in that regard in presenting this question again to the minister.

In addition to the objectives of the company, as referred to in the minister's answer to a question on the order paper, what other fields of lending is this company interested or involved in? I would appreciate an answer to these questions at this time.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, perhaps the best thing I can do is outline as briefly as possible the facts of the situation. I think when the facts are outlined the hon. member will accept that any suggestion or imputation that people have behaved wrongly, or that there is any criticism to be offered of the public service is quite unwarranted.

In brief, in the month of April, 1961, a small investment club was formed in Hull with a membership of 21, of whom 12 were employees of the Canadian Government Printing Bureau in Hull. The club receives periodic subscriptions from its members and makes investments as a club, as outlined in the answer to Question No. 329, at page 1142 of *Hansard*. Among other investments made was an investment in a commercial firm operating under the name of Imprimerie Gasparo Ltée.

As a consequence of this investment three of the directors of this firm are also employees of the Canadian Government Printing Bureau. These three are Mr. Marquis, foreman compositor linotype, Mr. Hould, a hand compositor in the bureau and Mr. Cousineau, a hand compositor.

The Canadian Government Printing Bureau has no interest in, or does it award any commercial contracts for government printing. It has no power to grant contracts. The firm of Gasparo Ltée. in mid-1964 made an application to the Department of Defence Production for qualification as a competitive tenderer for government printing. Following the usual procedure this qualification was accorded or approved. Following this qualification invitations to tender were sent to this firm Gasparo Ltée., among others. Of all competitive tenders in 1965 the Gasparo Ltée. firm was awarded four contracts amounting in total to $338.27. In addition one contract in the amount of $12.21 was negotiated, as provided for in the regulations of the Department of Defence Production. This firm does an annual business of some $21,000.

I suggest this relationship between the competitive government contracts in the

amount of $338, the negotiated contract in the amount of $12 and the annual volume of $21,000 would tend to indicate that it is unlikely that these three directors, who are also employees of the Canadian Government Printing Bureau, are really using their energies on a full time basis in the prosecution of the work of this firm.

It would also indicate, I suggest, that this firm bids on government business rather for reasons of prestige than profit and the results would tend to indicate that this is so.

I may point out to the hon. member that there are regulations governing the activities of civil servants. These regulations are promulgated in the "Treasury Manual of Financial Authorities and Procedures" of 1951. Under the heading "Additional Employment Outside Public Service" are provided a number of prohibitions regarding the kinds of outside employment or occupation in which full-time civil servants may not engage.

A perusal of this list would indicate that the three employees concerned have not transgressed these regulations. So I would suggest in the circumstances that any imputation that there has been wrongdoing on the part of either the Canadian Government Printing Bureau, which does not have in itself the power to award or influence the awarding of contracts, or these three civil servants, one a linotype foreman and the other two hand-compositors in participating in an investment club, part of whose activities relate to an investment made in a commercial printing firm and the giving of advice as directors of this firm, does not, in any way that we have been able to discover, operate so as to make them unable to perform their functions within the Canadian Government Printing Bureau, nor to the detriment of the public service as a whole.

Motion agreed to and the house adjourned at 10.39 p.m.

HOUSE OF COMMONS

Wednesday, February 16, 1966

The house met at 2.30 p.m.

OBJECTIONS RESPECTING PROPOSED DISTRICTS IN NEW BRUNSWICK AND QUEBEC

ELECTORAL BOUNDARIES READJUSTMENT ACT

Mr. Speaker: It is my duty to inform the house that two objections, signed by the hon. member for Victoria-Carleton (Mr. Flemming) and 11 other hon. members in one case, and the hon. member for Chapleau (Mr. Laprise) and nine other hon. members in the second case, have been filed with me pursuant to section 20 of the Electoral Boundaries Readjustment Act.

If the house will agree, I propose that the procedure followed on prior occasions in this session be again followed so that the text of these objections, together with the names of the members who signed in each case, will be printed as appendices to *Votes and Proceedings* for this day. Is it agreed?

Some hon. Members: Agreed.

NATIONAL PARKS

TABLING OF CORRESPONDENCE BETWEEN PRIME MINISTER AND PREMIER OF ALBERTA

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to table the exchange of correspondence between myself and the premier of Alberta on national parks policy, which was requested the other day.

BANKRUPTCY

TABLING OF CORRESPONDENCE WITH SPECIAL COMMITTEE

Hon. Lucien Cardin (Minister of Justice): Mr. Speaker I should like to table correspondence between myself and members of the special committee who studied the Bankruptcy Act revision.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF NANCY GREENE, OUTSTANDING SKIER

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, on motions I should like to have the indulgence of the house and draw to the attention of members of the house the presence in the Speaker's gallery of Miss Nancy Greene, a member of Canada's national ski team and an outstanding Canadian.

Mr. Herridge: Mr. Speaker, for the information of the house this young lady comes from Rossland which is in Kootenay West.

Mr. Groos: That means from British Columbia also.

[Translation]

CRIMINAL CODE

AMENDMENT TO ABOLISH CORPORAL PUNISHMENT

Mr. Auguste Choquette (Lotbinière) moved for leave to introduce Bill No. C-123, an Act to amend the Criminal Code (Corporal Punishment).

Some hon. Members: Explain.

Mr. Choquette: Mr. Speaker, whereas preventive rather than punitive justice should be emphasized; whereas capital punishment remains the best deterrent to the increase in the number of murders in the present circumstances, punishment of criminals should nevertheless not be characterized by unpardonable barbarity.

The present bill proposes to eliminate the lash provided for in the Criminal Code.

Motion agreed to and bill read the first time.

[English]

AMENDMENT RESPECTING ATTEMPTED SUICIDE BY MENTALLY ILL

Mr. Ian Watson (Châteauguay-Huntingdon-Laprairie) moved for leave to introduce Bill No. C-124, to amend the Criminal Code (attempt to commit suicide).

Some hon. Members: Explain.

Mr. Watson (Châteauguay-Huntingdon-Laprairie): Mr. Speaker, I am introducing this bill because section 213 of the Criminal Code now reads that a person who is mentally ill or is undergoing psychiatric treatment who attempts to commit suicide is subject to a criminal accusation and possible conviction. In most cases of attempted suicide the authorities ignore section 213. Occasionally, however, as happened recently in my own riding, a crown prosecutor becomes overzealous and applies section 213.

The amendment as proposed would have, it is hoped, two effects. It would remove the stigma of a criminal conviction attached to the attempted suicide of a mentally ill person; it would protect the public, and would protect the person who attempted the suicide

from possible further suicide attempts by assuring that observation and treatment follow the attempt at suicide.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

EXPO '67—PROVINCIAL SALES TAX

Question No. 3—**Mr. Coates:**

Has the federal government been in contact with the government of the province of Quebec regarding the elimination of the provincial sales tax on purchases made by patrons of Expo '67 and, if so, what has been the result?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): The ministers of the federal government and the government of the province of Quebec responsible for their respective government's interest in Expo '67 have given consideration to the remission of certain taxes.

No arrangements have been made, and none are in process, for the exemption from provincial sales tax on purchases made by patrons.

PAROLE OFFICERS, JUSTICE DEPARTMENT

Question No. 21—**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): Forty five parole officers are employed by the Department of Solicitor General. The jurisdiction of those employed in the field offices is geographically limited to specified areas and the duties include the direct interview of applicants for parole; the direct or indirect supervision of persons on parole and the maintenance of liaison with crown authorities.

Generally speaking, the jurisdiction of parole officers employed at headquarters is geographically limited to a specified area and their duties include the assembly of data necessary to the study of parole cases; the preparation of summaries, based on the data assembled, for consideration by the National Parole Board and the performance of incidental duties.

2. Eighteen.
3. Fourteen.
4. No.

[Mr. Watson (Châteauguay-Huntingdon-Laprairie).]

TREATMENT OF NARCOTIC ADDICTS

Question No. 56—**Mr. Howard:**

1. Upon what basis are inmates selected for transfer to the Matsqui institution for narcotic addicts?
2. Have any inmates serving a sentence of preventive detention been so selected and (a) if so, how many and what are their names (b) if not, what is the reason?

Hon. L. T. Pennell (Solicitor General): 1. Inmates selected for transfer to the Matsqui institution are addicted to narcotic drugs and may benefit from the treatment offered. Over aggressive and acutely disturbed individuals who are not suitable for a medium security institution and who may present a danger for security will not be transferred.

2. Twenty inmates serving sentences of preventive detention have been selected for transfer up to date. It is not the practice to reveal the names of these inmates, so as to safeguard their identity and that of their families.

PRINTING BUREAU—STOLEN GOODS

Question No. 64—**Mr. Irvine:**

1. During the past five calendar or fiscal years, has there been any investigation by RCMP or other police into the receipt of stolen goods in the Ottawa-Hull area that extended to the Canadian Government Printing Bureau?
2. If so, what were the circumstances?
3. What was the value of any such stolen goods?
4. Were any arrests made, and, if so, were any Printing Bureau employees questioned or arrested?
5. Were any charges laid and, if so, what dispositions were made by the courts of such charges?

Hon. L. T. Pennell (Solicitor General): 1. Yes.

2. As a result of information received, investigations were conducted by the Royal Canadian Mounted Police and no evidence was obtained disclosing the commission of any offence.

3. Answered by No. 2.

4. Answered by No. 2.

5. Answered by No. 2.

NATIONAL INDIAN ADVISORY BOARD

Question No. 68—**Mr. Howard:**

1. What is the name and address of each member of the national Indian advisory board?
2. Upon what date was each such member appointed or elected to the said board and what is his tenure of office?
3. What method was used to determine the membership of the board and, if the method involved consultation, what is the name and address of each person, group or organization that was consulted?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1 and 2.

Name and Address	Date Elected	Tenure of Office
Mr. Wallace Labillois, R.R. No. 1, Box 10, Dalhousie, New Brunswick.	June 9, 1965	3 years
Chief James Gaspé, Oka Indian Reserve, Oka, Quebec.	June 8, 1965	3 years
Mr. Aurelien Gill, 168 Aylmer Avenue, Ottawa, Ontario.	June 8, 1965	3 years
Chief Omer Peters, R.R. No. 3, Thamesville, Ontario.	June 2, 1965	3 years
Mr. Michael Bernard, Golden Lake Band, Golden Lake, Ontario.	June 2, 1965	3 years
Mr. Arthur Anderson, Jr., R.R. No. 2, Ohsweken, Ontario.	June 2, 1965	3 years
Mr. Lorenzo Big Canoe, Georgina Island Post Office, Ontario.	June 2, 1965	3 years
Chief Lionel Shannacappo, Rolling River Indian Reserve, Erickson, Manitoba.	September 17, 1965	3 years
Chief Cornelius Bignell, Box 582, The Pas, Manitoba.	September 17, 1965	3 years
Chief Wilfred Bellegarde, P.O. Box 23, Goodeve, Saskatchewan.	May 19, 1965	3 years
Chief Edward Laliberte, P.O. Box 881, Meadow Lake, Saskatchewan.	May 19, 1965	3 years
Chief Maurice McDougall, Peigan Indian Agency, Brocket, Alberta.	May 20, 1965	3 years
Mr. Mike Oka, Blood Indian Agency, Cardston, Alberta.	October 4, 1965	3 years
Mr. George Manuel, P.O. Box 62, Chase, British Columbia.	June 4, 1965	3 years
Mr. Phillip Paul, South Saanich Indian Reserve, Brentwood Bay, B.C.	June 4, 1965	3 years
Mr. Kenneth Harris, 100 E. 8th Avenue, Prince Rupert, B.C.	June 4, 1965	3 years
Mrs. Clara Tizya, Whitehorse, Yukon Territory.	June 4, 1965	3 years
Mrs. Agnes Casaway, Rocher River, Northwest Territories.	December 3, 1965	3 years

Questions

3. The members of the national Indian advisory board are elected by the members of the eight regional Indian advisory councils and the name and address of each council chairman is listed below. The method followed by each of the councils in choosing members for the board is a matter for the individual councils to determine. The number of representatives from each region elected to the board is based on the Indian population of the region.

Maritime Indian Advisory Council—Mr. Wallace Labillois, R.R. 1, Box 10, Dalhousie, New Brunswick; Quebec Indian Advisory Council—Chief James Gaspé, Oka Indian Reserve, Oka, P.Q.; Ontario Indian Advisory Council—Chief Omer Peters, R.R. No. 3, Thamesville, Ontario; Manitoba Indian Advisory Council—Chief Cornelius Bignell, Box 582, The Pas, Manitoba; Saskatchewan Indian Advisory Council—Chief Wilfred Bellegarde, P.O. Box 23, Goodeve, Saskatchewan; Alberta Indian Advisory Council—Mr. Howard Beebe, c/o Blood Indian Agency, Cardston, Alberta; B.C. & Yukon Indian Advisory Council—Mr. George Manuel, P.O. Box 62, Chase, British Columbia; N.W.T. Indian Advisory Council—Mr. J. J. Pascal, No. 88 Arctic Red River Band, Aklavik, Northwest Territories.

SUPPLEMENTARY AGREEMENTS UNDER ESTABLISHED PROGRAMS ACT

Question No. 74—**Mr. Lambert:**

1. Did the government of Canada or anyone authorized on its behalf prior to October 31, 1965, approach any of the governments of the provinces with a view to entering any supplementary agreement under the Established Programs (Interim Arrangements) Act?

2. If so, what was the nature of the reply from any such provincial government?

Hon. Mitchell Sharp (Minister of Finance): 1. Yes. On August 15, 1964, the Prime Minister wrote to the provincial prime ministers and premiers that it was the intention of the federal government to introduce legislation to implement the contracting-out arrangements outlined in the letter and asked those provinces, who might wish to conclude arrangements similar to those the federal government would be entering with Quebec, to inform him at their convenience.

On December 30, 1964, a copy of Bill C-142, entitled the "Established Programs (Interim Arrangements) Act" was forwarded to officials of each province and in May 1965, the act was discussed and the October 31, 1965, deadline for supplementary agreements under section 3 of the act was brought to their attention.

[Mr. Laing.]

2. Five provinces, Nova Scotia, Quebec, Ontario, Manitoba, and Saskatchewan, replied to the Prime Minister's letter. Nova Scotia, Ontario, and Manitoba acknowledged the Prime Minister's letter and reserved any comments to a future occasion. Quebec agreed to the proposals put forward by the federal government. Saskatchewan stated that that province would not contract out of the programs listed in part B of the Prime Minister's letter and sought some clarification on part C of the letter.

EXPENSE ALLOWANCES OF FORMER MINISTER

Question No. 101—**Mr. Ormiston:**

What was the total amount of all expense allowance funds drawn by the former minister without portfolio, the former member from Saint-Jean-Iberville-Napierville, from February 3, 1964 to January 22, 1965?

Hon. Mitchell Sharp (Minister of Finance): $13,375.37.

ACQUISITIONS AND CONSOLIDATIONS OF COMPANIES

Question No. 102—**Mr. Mather:**

How many acquisitions and consolidations of companies capitalized at over $100,000 took place in Canada in 1963 and 1964?

Hon. Robert Winters (Minister of Trade and Commerce): A statistical record of mergers is not maintained by the government of Canada at the present time.

TRANSFER OF POWERS FROM CIVIL SERVICE COMMISSION TO TREASURY BOARD

Question No. 117—**Mr. Ormiston:**

Has there been any transfer of powers, duties, responsibilities and functions from the Civil Service Commission to Treasury Board since April 22, 1963, and, if so, what are they?

Hon. E. J. Benson (Minister of National Revenue): 1. None of the powers, duties, responsibilities and functions of the Civil Service Commission have been transferred to Treasury Board since April 22, 1963.

FEDERAL CONTRIBUTION TO EXPO '67

Question No. 121—**Mr. Mather:**

What, in dollars, is the federal contribution to Expo '67?

Hon. Robert Winters (Minister of Trade and Commerce): The agreement entered into on January 18, 1963, by the government of Canada, the government of the province of Quebec and the city of Montreal stipulates that the government of Canada shall pay 50 per cent of the cost of the exhibition.

This percentage amounts to $30.8 million of the net cost of $61.6 million as approved

by order in council P.C. 1965-1494 dated August 13, 1965, in conformity with section 10 of the incorporating act. Under the master plan approved on the same date, the gross expenditure was estimated to be $250.7 million and the gross revenue $189.1 million.

CONTRACTUAL OBLIGATIONS BY CROWN CORPORATIONS

Question No. 136—**Mr. Caouette:**

Were any regulations made under section 83 of the Financial Administration Act with respect to the conditions upon which a corporation acting for the crown may undertake contractual obligations and, if so, what are they?

Hon. E. J. Benson (Minister of National Revenue): 1. The government contracts regulations, P.C. 1964-1467, issued September 23, 1964 under the authority of sections 39 and 83 of the Financial Administration Act (R.S.C. 1952, c.116), declare in section 2(1)(d)(ii) that the regulations apply to the corporations named in schedule B to the Financial Administration Act and the National Capital Commission, National Battlefields Commission and the Northern Canada Power Commission.

AIR CANADA DC-9 SERVICE

Question No. 157—**Mr. Forrestall:**

1. What cities in Canada are to be included in the introduction of DC-9 aircraft to Air Canada domestic service routes?
2. What dates are now anticipated for such introductions?
3. What will be the frequency of such service between Halifax and Montreal?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Air Canada advises as follows:

1. The following cities in Canada are included in Air Canada's plans for DC-9 aircraft operation in the first half of 1966: Vancouver, Edmonton, Calgary, Winnipeg, Toronto, Ottawa, Montreal. Other points of call are likely to be added in subsequent years as additional aircraft become available.

2. Vancouver, Winnipeg, Montreal—April 24; Toronto—June 1; Edmonton, Calgary, Ottawa—July 1.

3. There has been no decision yet as to flights to Halifax.

CANADIAN DELEGATES TO UN SESSION

Question No. 171—**Mr. McCleave:**

What were the names of the Canadian delegates and observers to the most recent session of the United Nations, and on what date was each appointed?

Hon. Paul Martin (Secretary of State for External Affairs): Canadian delegates to the twentieth session of the general assembly of the United Nations (21 September-21 December 1965) were appointed by the government on August 25. Their names are the following: Hon. Paul Martin, Mr. Paul Tremblay, Dr. Stanley Haidasz, Mrs. Margaret Konantz, Professor R. St. John MacDonald, Lieut.-Gen. E. L. M. Burns, Mr. W. H. Wershof, Mr. Paul Beaulieu, Miss Margaret Meagher, Mr. Stuart Hemsley.

Following past practice, parliamentary observers were nominated by parliamentary party leaders. During the first half of June the Secretary of State for External Affairs asked the party leaders in the Senate and in the House to provide him with names of observers for the places allocated to each party. The names of observers were submitted by the party leaders during the summer and fall. Of those names submitted the following attended as observers during the session: Observers from the Senate: Hon. Rhéal Belisle, Hon. J. J. Kinley, Hon. Hartland de M. Molson. Observers from the House of Commons: Hon. J. W. Monteith, Mr. Yves Forest, Mr. Walter F. Foy, Mr. Gilles Grégoire, Mr. Raynald Guay, Mr. Milton L. Klein, Mr. Herman Laverdière, Mr. Carl Legault, Mr. H. Pit Lessard, Mr. Marcel Lessard, Mr. Nicholas Mandziuk, Mr. Wallace B. Nesbitt, Mr. Gerald A. Regan, Mr. S. Perry Ryan, Mr. Max Saltsman, Mr. James R. Tucker, Mr. Ian Watson.

Mr. Willson Woodside, national director of the United Nations Association in Canada, was appointed by the government as non-governmental observer on September 30.

INDIAN RESIDENTIAL SCHOOLS

Question No. 177—**Mr. Barnett:**

1. What, listed by name, location, denominational or other equivalent designation, are the Indian residential schools in each of the provinces and territories of Canada?
2. Which of these schools are providing only residential services, and which are also providing classroom instruction?
3. Is the Canada Labour (Standards) Code applicable to any or all of these schools and, if not to all, to which is it applicable?
4. Are the salaries or wages currently being paid for any of the positions in any of these schools less than the equivalent of $1.25 per hour and, if so, what positions in which schools are paid at less than this rate, and in what amount per hour, day, week or month?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. See following table.

Questions

2. The schools listed on the attached table shown as "hostel" provide residential services only.

3. The matter is being considered.

4. Members of the staffs at the residential schools apart from teachers are employees of the church denominations. Funds, however, have been provided by the federal government to pay a $1.25 minimum to each employee and the principals have been advised that this minimum must, without exception, be met.

Federal Indian Residential Schools

Name of School	Religious Denomination	Address
	NOVA SCOTIA	
Shubenacadie	Roman Catholic	Shubenacadie, N.S.
	QUEBEC	
Amos	Roman Catholic	St. Marc De Figuery, P.Q.
Fort George	Anglican	Fort George, P.Q. (via Moosonee, Ont.)
La Tuque	Anglican	P.O. Box 847, La Tuque, P.Q.
Pointe Bleue	Roman Catholic	Pointe Bleue Co., Roberval, P.Q.
Seven Islands	Roman Catholic	Seven Islands, P.Q.
	ONTARIO	
Albany	Roman Catholic	Fort Albany (via Moosonee, Ont.)
Cecilia Jeffrey Hostel	Presbyterian	Kenora, Ontario.
Fort Frances	Roman Catholic	Fort Frances, Ontario.
Horden Hall Hostel	Anglican	Moose Factory, Ontario.
Kenora	Roman Catholic	Kenora, Ontario.
McIntosh	Roman Catholic	McIntosh, Ontario.
Mohawk	Anglican	Brantford, Ontario.
Shingwauk Hostel	Anglican	Sault Ste. Marie, Ontario.
Sioux Lookout	Anglican	Sioux Lookout, Ontario.
	MANITOBA	
Assiniboia	Roman Catholic	621 Academy Road, Winnipeg 2, Manitoba.
Birtle	Presbyterian	Birtle, Manitoba.
Brandon	United Church	Brandon, Manitoba.
Cross Lake	Roman Catholic	Cross Lake, Manitoba.
Fort Alexander	Roman Catholic	Pine Falls, Manitoba.
Guy	Roman Catholic	The Pas, Manitoba.
MacKay	Anglican	Box 568, Dauphin, Manitoba.
Norway House	United Church	Norway House, Manitoba.
Pine Creek	Roman Catholic	Camperville, Manitoba.
Portage la Prairie Hostel	United Church	Portage la Prairie, Manitoba.
Sandy Bay	Roman Catholic	Marius, Manitoba.
	SASKATCHEWAN	
Beauval	Roman Catholic	Beauval, Saskatchewan.
Cowessess	Roman Catholic	Marieval (via Grayson, Saskatchewan).
Duck Lake	Roman Catholic	Duck Lake, Saskatchewan.
Gordon's	Anglican	Punnichy, Saskatchewan.
Muscowequan	Roman Catholic	Lestock, Saskatchewan.
Onion Lake	Roman Catholic	Lloydminster, Saskatchewan.
Prince Albert	Anglican	Prince Albert, Saskatchewan.
Qu'Appelle	Roman Catholic	Lebret, Saskatchewan.
St. Philip's	Roman Catholic	Kamsack, Saskatchewan.
	ALBERTA	
Assumption	Roman Catholic	Assumption, Alberta.
Blood	Roman Catholic	Cardston, Alberta.
Blue Quills	Roman Catholic	St. Paul, Alberta.

Name of School	Religious Denomination	Address
Crowfoot	Roman Catholic	Cluny, Alberta.
Desmarais Hostel	Roman Catholic	Desmarais, Alberta.
Edmonton Hostel	United Church	Edmonton, Alberta.
Ermineskin	Roman Catholic	Hobbema, Alberta.
Fort Vermilion Hostel	Roman Catholic	Fort Vermilion, Alberta.
Joussard	Roman Catholic	Joussard, Alberta.
Morley (Hostel)	United Church	Morley, Alberta.
Old Sun	Anglican	Gleichen, Alberta.
St. Paul's Hostel	Anglican	Cardston, Alberta.
Wabasca Hostel	Anglican	Wabasca, Alberta.
	BRITISH COLUMBIA	
Alberni	United Church	Alberni, British Columbia.
Alert Bay (Hostel)	Anglican	Alert Bay, British Columbia.
Cariboo	Roman Catholic	150 Mile House, British Columbia.
Kamloops	Roman Catholic	Kamloops, British Columbia.
Kootenay Hostel	Roman Catholic	Cranbrook, British Columbia.
Kuper Island	Roman Catholic	Box 510, Kuper Island (via Chemainus, British Columbia).
Lejac	Roman Catholic	Lejac, British Columbia.
Lower Post	Roman Catholic	Lower Post, British Columbia, (via Watson Lake, Y.T.).
Mission	Roman Catholic	Mission City, British Columbia.
Sechelt	Roman Catholic	Sechelt, British Columbia.
St. George's	Anglican	Lytton, British Columbia.
	YUKON	
Carcross	Anglican	Carcross, Y.T.
Whitehorse Hostel	Roman Catholic	Box 2620, Whitehorse, Y.T.
Yukon Hostel	Protestant	P.O. Box 389, Whitehorse, Y.T.

EMPLOYMENT OF INMATES OF INSTITUTIONS

Question No. 200—**Mr. Hopkins:**

1. On average, for how many hours per day are inmates productively employed at the following types of institutions (a) maximum security (b) medium security (c) minimum security (d) work camps?

2. What remuneration is currently paid for such work?

Hon. L. T. Pennell (Solicitor General): 1. On average, inmates are productively employed at the following types of institutions, for the number of hours per day indicated:

(a) Maximum security	6.4 hours
(b) Medium security	7.1 hours
(c) Minimum security	7.5 hours
(d) Work camps	7.4 hours

2. The remuneration currently paid for such work is:

Pay Grade	Daily Pay
Grade 1	25¢
Grade 2	35¢
Grade 3	45¢
Grade 4	55¢

SPRINGHILL PENAL INSTITUTION PERSONNEL

Question No. 205—**Mr. Coates:**

What is the estimated number of individuals to be employed at the young offenders' penal institution in Springhill and what is the estimated annual payroll?

Hon. L. T. Pennell (Solicitor General): The estimated number of individuals to be employed at the young offenders' penal institution in Springhill is 241 and the estimated annual payroll is $1,160,000.

CONTINUATION OF PRESENT SPRINGHILL PENAL INSTITUTION

Question No. 211—**Mr. Coates:**

Will the minimum security penal institution located at Springhill, N.S., continue in operation upon the completion of the young offenders' institution at Springhill?

Hon. L. T. Pennell (Solicitor General): Yes, the present plan is that this institution will continue to operate.

Questions

C.B.C. FEMALE EMPLOYEES

Question No. 217—**Mr. Mather:**

1. How many C.B.C. employees are there?
2. What percentage of these are women?
3. What percentage of C.B.C. management-scale salary groups is composed of women?
4. What percentage of C.B.C. senior management grades is composed of women?
5. What is the highest level, in C.B.C. management, occupied by a woman?
6. What percentage of the C.B.C. audience is composed of women?

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

1. 8,160.

2. 25 per cent.

3. 7.82 per cent.

4. 4.16 per cent.

5. Second level below vice president.

6. Audiences vary from program to program. However, in general, women tend to watch television more than men do, perhaps up to one hour more per day.

INVITATIONS TO DISPLAY AT EXPO '67

Question No. 239—**Mr. Dinsdale:**

1. Have officials of Expo '67 extended invitations to international organizations such as the common market, NATO, etc., to have informational and educational displays at the world's fair to be held in Canada during our centennial year?
2. If so, what groups have been invited?
3. What groups have accepted the invitation?
4. Which groups have declined the invitation?

Hon. Robert Winters (Minister of Trade and Commerce): 1. Invitations to participate in Expo '67 were extended in 1963 to the following international organizations: Food and Agricultural Organization (FAO); General Agreement on Tariffs and Trade (GATT); The European Communities; Inter-Governmental Maritime Consultative Organization (IMCO); International Atomic Energy Agency; International Bank for Reconstruction and Development (IBRD); International Civil Aviation Organization (ICAO); International Development Association (IDA); International Finance Corporation (IFC); International Labour Organization (ILO); International Monetary Fund (IMF); International Red Cross; International Telecommunication Union (ITU); Organization for Economic Co-operation and Development (OECD); Organization of American States (OAS); Pan American Institute of Geography and History; Postal Union of the Americas and Spain; United Nations; United Nations Educational, Scientific and Cultural Organization (UNESCO); Universal Postal Union (UPU); World Health Organization (WHO); World Meteorological Organization (WMO).

[Mr. Pennell.]

2. Answered by 1 above.

3. The European communities have accepted the invitation and have reserved a lot on the exhibition site, on which they are planning to build a pavilion.

4. The United Nations have declined the invitation to participate. However, the United Nations Association in Canada, with the help of private sponsors, have reserved a lot on the exhibition grounds, on which they plan to build a pavilion. The planning of this pavilion for the United Nations is being done in consultation with the liaison officer designated by the UN secretariat and with a number of UN agencies.

ADVISORY COMMITTEE ON PENITENTIARY INDUSTRY

Question No. 241—**Mr. Brown:**

1. Who at present constitute the advisory committee on penitentiary industry?
2. What institutions did they visit during 1965?

Hon. L. T. Pennell (Solicitor General): 1. Officers of the penitentiary service have discussed penitentiary industry with representatives of management, labour and government agencies, but no advisory committee on penitentiary industry as such has been appointed to date.

2. Not applicable.

PENITENTIARY STAFF COLLEGE TRAINING

Question No. 242—**Mr. Brown:**

In penitentiary staff colleges, in Quebec, Ontario and western Canada, what provisions are made for training non-professional staff in the causes and treatment of criminality?

Hon. L. T. Pennell (Solicitor General): All non-professional staff members of the penitentiary service attend a regular training course or refresher courses at either of the three staff colleges operated by the service. These courses, varying in duration from two months to three months, offer basic training in the causes and treatment of criminality by the means of lectures by specialists, film presentations and discussion groups, supervised by qualified instructors.

The institutional in-service training program also provides for additional training in these subjects by specialist personnel, that is, psychologists and classification officers, through the medium of lectures and/or film discussions.

A training program, approved by the treasury board in April 1964, providing for the reimbursement of tuition fees paid by such members of the service who have

elected to undertake evening and/or correspondence courses from recognized educational agencies in the causes and treatment of criminality, has been implemented.

DORCHESTER PENITENTIARY—DANGER PAY FOR GUARDS

Question No. 278—**Mr. Coates:**

1. Did the government receive a request from the guards of the Dorchester penitentiary for danger pay of $1,000.00 annually?
2. Why was this request made?
3. What action is the government taking on this request?

Hon. L. T. Pennell (Solicitor General): 1. Yes.

2. This request was made following the commutation of a death sentence to life imprisonment in the case of a penitentiary inmate by the name of Reginald Colpitts.

3. The government has at present under consideration a consultants report on the subject of penitentiary service pay classification.

GOVERNMENT ENCOURAGEMENT OF AMATEUR SPORTS

Question No. 281—**Mr. Caouette:**

1. During 1965, in what ways did the government encourage amateur sports?
2. What amounts were allocated to the various amateur sports teams during 1965?

[*Translation*]

Hon. A. J. MacEachen (Minister of National Health and Welfare): 1. During 1965 as provided for under the Fitness and Amateur Sport Act, the Federal Government continued to encourage the development and promotion of amateur sport by making grants to national sports governing bodies to assist Canadian participation at national championships, international meets or world championships; by giving technical and financial aid to training programs, and by assisting programs designed to promote the development of various amateur sports. Grants were also given to national sports governing bodies to assist in meeting the cost of administrative expense.

Additionally $1 million in federal aid is made available each year to the provinces on a 60% federal 40% provincial matching basis to assist provincial and community organizations in carrying on programs at the provincial and municipal levels (the Province of Quebec does not participate in this joint program).

Some $550,000 is also made available annually for Fitness Research conducted through Canadian Universities and for scholarships and fellowships to encourage post-graduate studies in physical education and recreation.

2. The attached table indicates the extent of Federal aid given to national sports governing bodies and agencies to assist programs carried out during the 1965 calendar year. The amounts indicated are in addition to financial assistance provided under the Federal-Provincial program.

Grants-in-Aid to Sports Governing Bodies and Recreational Associations for Events Held in 1965

Association	Total $
Amateur Athletic Union of Canada:	
General	11,787
Boxing	5,381
Fencing	6,939
Gymnastics	8,604
Track and Field	27,924
Weightlifting	9,637
Wrestling	7,178
Handball	3,206
Association Canadienne des Centres de Loisirs	31,900
	18,000
Canadian Amateur Basketball Association	37,574
Canadian Amateur Bobsleigh and Tobogganing Association	5,638
Canadian Amateur Hockey Association	88,870
Canadian Amateur Ski Association	24,844
Canadian Amateur Softball Association	6,000
Canadian Amateur Speed Skating Association	4,528
Canadian Amateur Sports Federation	4,000
Canadian Amateur Swimming Association	
Swimming	40,383
Diving	4,922
Synchronized Swimming	8,952
Water Polo	6,495
Canadian Archery Association	8,085
Canadian Association of Amateur Oarsmen	18,458
Canadian Association of Health, Physical Education and Recreation	50,000
Canadian Badminton Association	11,434
Canadian Canoe Association	4,700

Questions

Association	Total $
Canadian Cricket Association	4,265
Canadian Field Hockey Association	6,628
Canadian Figure Skating Association	31,947
Canadian Intercollegiate Athletic Union	17,010
Canadian Kodokan Black Belt Association	3,000
Canadian Lacrosse Association	8,460
Canadian Ladies Golf Union	3,510
Canadian Lawn Bowling Council	3,507
Canadian Lawn Tennis Association	27,715
Canadian Olympic Association	30,000
Canadian Rugby Union	2,000
Canadian Ski Patrol System	750
Canadian Snowshoer's Union	1,890
Canadian Soccer Football Association	17,646
Canadian Table Tennis Association	2,010
Canadian Union of Students	6,157
Canadian Volleyball Association	31,737
Canadian Water Ski Association	6,240
Canadian Wheelmen's Association	1,025
Canadian Women's Field Hockey Association	2,015
Canadian Yachting Association	25,848
Girl Guides of Canada	17,654
Guides Catholiques du Canada	13,250
National Council of Y.M.C.A.	22,500
National Federation of Amateur Baseball	25,469
Parks and Recreation Association of Canada	2,200
Royal Canadian Golf Association	595
Royal Canadian Legion	62,717
Royal Life Saving Society Canada	9,910
Shooting Federation of Canada	4,834
University of Ottawa (Documentation Centre)	35,000
Young Men's Christian Association	6,260
	$ 889,188

Special Projects	$
British Empire Games	35,000
First Canadian Winter Games	347,500
Olympic 72	38,500
Pan American Games	220,000
Grand Total	$ 1,530,188

Association	Total $

[Mr. MacEachen.]

[*English*]

R.C.M.P. SALARIES AND PENSIONS

Question No. 313—**Mr. Douglas:**

1. (a) What was the salary of an R.C.M.P. Constable in 1943 (b) what is the salary of an R.C.M.P. Constable today?

2. (a) What was the salary of an Assistant-Commissioner in the R.C.M.P. in 1943 (b) what is the salary of an Assistant-Commissioner in the R.C.M.P. today?

3. (a) What was the pension of an R.C.M.P. Constable in 1943 (b) what is the pension of an R.C.M.P. Constable today?

4. (a) What was the pension of an Assistant-Commissioner in the R.C.M.P. in 1943 (b) what is the pension of an Assistant-Commissioner in the R.C.M.P. today?

Hon. L. T. Pennell (Solicitor General): 1. (a) maximum pay and allowances, $1,553.75 per annum; (b) maximum salary, $5,943 per annum.

2. (a) maximum pay and allowances, $5,200.00 per annum; (b) $16,960 per annum.

3. (a) $1,035.83 per annum; (b) $3,962.00 per annum.

4. (a) $3,640.00 per annum; (b) $11,872.00 per annum.

Prior to December 1, 1950, the pension of a member of the force was based on his pay plus an allowance for pension purposes which was authorized by order in council. The "allowances" referred to in parts 1(a) and 2(a) above are those so authorized. From December 1, 1950, the pension of a member of the force has been based on his pay only.

The pension rates set forth in parts 3 and 4 are the maximum pensions authorized under the R.C.M. Police Pension Continuation Act. Pensions below the maximum vary with the length of service of the members concerned. Members engaged since March 1, 1949, are subject to the R.C.M. Police Superannuation Act and pensions under that act are based on the best six consecutive years' pay. The maximum pension payable to a constable who was subject to the R.C.M.P. Superannuation Act and who retired on January 27, 1966, would be $3,604.27 per annum based on maximum service of 35 years.

PRINTING BUREAU—STOLEN GOODS

Question No. 328—**Mr. Irvine:**

1. Since January 1, 1963, did the R.C.M.P. seize any goods in connection with any investigation of Canadian Government Printing Bureau employees in connection with alleged stolen goods?

2. Did any such investigation disclose that stolen goods were delivered to Printing Bureau premises, or to the residence or business premises occupied by any employee of the Printing Bureau and, if so, what is the address of such premises and the name of the occupant or occupants?

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

2. No.

OTTAWA RIVER BRIDGE, QUYON-FITZROY HARBOUR

Question No. 337—**Mr. Bell (Carleton):**

1. Since April 23, 1963, has the Department of Public Works conducted any discussions or negotiations with the government of Ontario or the government of Quebec with respect to the erection of a highway bridge over the Ottawa river between Quyon and Fitzroy Harbour?

2. If so, what has been the nature of such discussions or negotiations, and what was the result thereof?

3. What is the estimate of the total cost of the erection of such a bridge?

Hon. G. J. McIlraith (Minister of Public Works): 1. No.

2. Not applicable.

3. Not applicable.

FEDERAL CIVIL SERVANTS

Question No. 351—**Mr. Hales:**

How many civil servants did the federal government departments, corporations and agencies have on the payroll and what were their total earnings on the following dates (a) end of April, 1961 (b) end of April, 1962 (c) end of April, 1963 (d) end of April, 1964 (e) end of April, 1965 (f) end of December, 1965?

Hon. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): The total number of federal public servants and their earnings as at April 30, for the years 1961 to 1965, and as at October 30, 1965 (the latest available) are shown in the following table.

Total number of federal public servants at April 30

		1961	1962	1963	1964	1965	Oct. 30 1965
Agency corporations	No.	9,611	9,417	8,879	8,582	8,447	9,115
	$'000	3,799	3,928	3,701	3,962	4,159	4,545
Proprietary corporations	No.	122,093	121,710	120,087	121,471	122,802	126,808
	$'000	45,923	49,235	50,930	53,077	57,195	60,526
Other agencies	No.	1,987	2,052	2,171	2,617	2,851	3,182
	$'000	701	763	845	1,146	1,372	1,541
Departments	No.	185,665	188,732	185,774	187,990	192,845	198,495
	$'000	63,582	66,309	68,256	73,622	78,677	82,941
Departmental corporations	No.	14,761	14,860	13,975	14,892	10,340	9,944
	$'000	5,047	5,534	5,384	5,959	4,326	4,411
Total	No.	334,117	336,771	330,886	335,552	337,285	347,544
	$'000	119,051	125,768	129,115	137,767	145,729	153,965

ADDITION TO KEJIMKUJIK PARK

Question No. 357—**Mr. Crouse:**

1. Is the government planning to acquire part of the seaboard along the south shore of Nova Scotia and incorporate the same in the Kejimkujik national park?

2. If so, how large is the area to be selected?

3. In what county will the land be acquired?

4. How much money will be appropriated for this purpose?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. In co-operation with the government of Nova Scotia the natural and historic resources branch of the Department of Northern Affairs and National Resources will be carrying out a further analysis of shoreline in Nova Scotia to determine if a suitable area can be located for convenient operation in conjunction with Kejimkujik national park.

2 and 3. This information will become available only after the above mentioned study has been completed.

4. Under existing practice no money would be appropriated for such acquisition.

ARDA PROJECTS, ARGENTEUIL-DEUX-MONTAGNES

Question No. 358—**Mr. Régimbal:**

Will the government submit the list of projects under ARDA which have been considered or are being considered for Argenteuil-Deux-Montagnes?

Questions

Hon. Maurice Sauvé (Minister of Forestry):

Project number	Approved	Description	Category	General area of activity	Shareable cost	Federal contribution
					$	$
5004	March 1963	Improvement of the Lebeau-Lecompte waterway—16.5 miles reclaiming an area of 1,013 acres involving 80 farmers	SW	Terrebonne-Deux-Montagnes Counties	54,911	27,456
5010	March 1963	Improving the watercourse of Corbeil and tributaries; 3.7 miles, involving 24 farmers	SW	St. Augustin-Deux-Montagnes	25,290	12,646
5023	March 1963	Improvement of Duquette water-course, 3.6 miles; 21 farmers	SW	St. Eustache & Deux-Montagnes Counties	23,610	11,805
5113	March 1964	Deschambault watercourse improvement; reclaiming 338 acres over 4.6 miles; involving 30 farmers	SW	Deux-Montagnes County	38,678	19,339
5114	March 1964	Meunier watercourse improvement over 3.9 miles to reclaim 735 acres; involving 24 farmers	SW	Deux-Montagnes County	20,621	10,310
5115	March 1964	Nepveu watercourse improvement, over 4.1 miles, reclaiming 161 acres, involving 27 farmers	SW	Deux-Montagnes County	19,331	9,666

MEMBERS OF PARLIAMENT AS UN OBSERVERS

Question No. 366—**Mr. Code:**

1. Were any members of the House of Commons appointed and did they serve as observers at the most recent session of the United Nations, and, if so, how many?

2. What were their names and the dates during which each of them served?

Hon. Paul Martin (Secretary of State for External Affairs): 1. Following past practice, observers from the House of Commons were nominated by parliamentary party leaders. A total of 25 members of the house were nominated and 17 accepted to attend.

2. The period of appointment for observers during the twentieth session was two weeks although some did not stay for the full period. Following are the names of observers from the House of Commons who attended the session:

Name	Period of Attendance in New York
Hon. J. W. Monteith	6 — 12 December
Mr. Yves Forest	17 — 22 October
Mr. Walter F. Foy	21 September — 1 October
Mr. Gilles Grégoire	14 — 24 November
Mr. Raynald Guay	4 — 7 October
Mr. Milton L. Klein	28 November — 5 December
Mr. Herman Laverdière	22 — 28 September
Mr. Carl Legault	28 November — 11 December
Mr. H. Pit Lessard	15-18, 21-26 November
Mr. Marcel Lessard	4 — 7 October
Mr. Nicholas Mandziuk	21 — 25 November
Mr. Wallace B. Nesbitt	27 November — 6 December
Mr. Gerald A. Regan	10 — 21 October
Mr. S. Perry Ryan	5 — 9 December
Mr. Max Saltsman	7 — 9 October
Mr. James R. Tucker	28 November — 11 December
Mr. Ian Watson	29 November — 11 December

[Mr. Régimbal.]

COTTAGE TYPE SCHOOL PROGRAM, NORTHWEST TERRITORIES

Question No. 367—**Mr. Dinsdale:**

1. Since the cottage type school program for children in isolated communities in the Northwest Territories was launched in 1961, how many of these schools have been established?

2. Where are they located and what is the attendance at each school?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. The small pupil residences have been built to accommodate children of elementary school age who live beyond commuting distance to local schools. Twenty of these family type residences have been established in the Northwest Territories.

2.

Community	School Enrolment
Baker Lake	109
Eskimo Point	90
Belcher Islands	20
Igloolik	62
Broughton Island	51
Pangnirtung	84
Cape Dorset	91
Pond Inlet	60
Cambridge Bay	74

EMIGRATION OF DOCTORS TO CANADA

Question No. 368—**Mr. Orlikow:**

1. Have foreign officials of the Department of Citizenship and Immigration encouraged medical doctors from Europe, Asia and Africa, to come to Canada in the last five years?

2. How many doctors have come to Canada in each of the past five years from Europe, Asia and Africa?

3. Is the Department of Citizenship and Immigration aware that many of these doctors have not been able to get permission to practise in parts of Canada?

4. Does the Department of Citizenship and Immigration have information as to how many doctors from Europe, Asia and Africa have not been able to get permission to practise since coming to Canada?

5. Has the Department of Citizenship and Immigration discussed the difficulties with the Canadian Medical Association or the appropriate provincial medical authorities?

6. Is the Department of Citizenship and Immigration giving consideration to discontinuing the practice of encouraging doctors from Europe, Asia and Africa to come to Canada in the light of these difficulties?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): 1. Yes, provided the doctors have received some indication from a provincial medical licensing authority that they are likely to be able to qualify for practice in Canada. Before an application is approved for an immigrant to come to Canada as a medical doctor he is required to determine, through the licensing authority of the province in which he hopes to practice, whether or not he is likely to meet the requirements for the practice of medicine in that province. A person who receives a discouraging reply from the provincial authority is not admitted on the basis of his qualifications as a medical doctor. However, this in itself does not bar him from admission to Canada provided he understands that, if admitted, he must be prepared to accept employment outside of his chosen field. Such persons must now acknowledge in writing their understanding that they may never be able to practice medicine in Canada.

2. IMMIGRATION OF PHYSICIANS AND SURGEONS TO CANADA FOR THE PERIOD 1961 TO 1965 INCL. FROM EUROPE, ASIA, AFRICA AND OTHERS

Geographic Division	YEAR					TOTAL
	1961	1962	1963	1964	1965	
Europe	232	211	327	361	397	1,528
Asia	80	154	140	149	240	763
Africa	16	22	22	35	42	137
Others	117	143	198	123	113	694
TOTALS	445	530	687	668	792	3,122

3. The department is aware that some medical doctors from overseas have not been able to meet the requirements of some provincial medical licensing bodies.

4. No.

5. Yes.

6. The department will continue to encourage the admission of only those medical doctors who will likely be able to practice their profession in Canada.

Questions

KILLING OF EAGLES AND FALCONS BY PESTICIDES

Question No. 382—**Mr. Mather:**

1. Is the government aware of the report of the Federation of Ontario Naturalists that pesticide spraying has caused the deaths of so many eagles and falcons that these species will be extinct in Ontario within 10 years?

2. Is the problem a federal or provincial responsibility?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. The government is aware of the situation in Ontario with regard to the decline of populations of eagles and falcons. Although it may not be correct to state that these species will be extinct in Ontario within ten years, such an event is possible. The situation is not unique to Ontario but is of international concern in that populations of eagles and falcons in eastern North America and most of Europe have been declining rapidly in the past decade. The basic cause of this decline is not apparently in an accelerated death rate of adults but in a failure of the birds to reproduce successfully. Most of the few eggs now laid are infertile and contain several chlorinated hydrocarbon pesticide residues.

An international conference on the decline of falcons was held at Madison, Wisconsin in late 1965 and two scientists of the Canadian wildlife service of our department attended that conference. The Canadian wildlife service of the Department of Northern Affaris and National Resources has initiated or is initiating the following studies directed at elucidating the situation with regard to Canada.

(a) A survey of peregrine falcons and eagle nest sites is being conducted in eastern Canada to record nesting success; (b) An investigation of the reproductive success of falcons nesting in the Thelon game sanctuary is to be initiated in 1966; (c) A survey is proposed of falcon reproductive success in the Mackenzie river valley, also in 1966. Both studies will be supported by analysis of both falcons and their prey for pesticide residues; (d) In co-operation with the government of the United States, all eagles which are shot or found dead and which come into the possession of the Canadian wildlife service are shipped to testing facilities near Washington for analysis of pesticide residue content. That is done, not because facilities are not available in Canada, but because the American program has been going on for a number of years and it was deemed needless duplication for us to set up a parallel program.

[Mr. Munro.]

2. Peregrine falcons and eagles are not protected under the terms of the migratory birds convention between Canada and the U.S.A. They are, therefore, a provincial responsibility except in the Northwest Territories and Yukon Territory. The Canadian wildlife service is investigating the situation regarding the populations of these species in Canada as being a matter of national and international interest. Expressions of support for that position have been offered by several provinces.

CLAIMS AGAINST POLAND FOR CONFISCATED PROPERTY

Question No. 396—**Mr. Ryan:**

How many Canadians have claims against Poland for property nationalized or confiscated without compensation by the Polish Government in the post-war period?

Hon. Paul Martin (Secretary of State for External Affairs): The Department of External Affairs has on record over 500 nationalization claims of Canadian citizens against Poland amounting to a total asserted value of over 32 million dollars. In addition, there are a number of Canadians with claims against Poland who have not yet notified the Canadian government of their claims.

PAYMENTS BY POLAND FOR CONFISCATED PROPERTY

Question No. 397—**Mr. Ryan:**

Has Poland paid compensation for any Canadian property it has nationalized or taken from citizens of this country and, if so, how does this compare with compensation paid to other countries?

Hon. Paul Martin (Secretary of State for External Affairs): No.

OUTSTANDING CLAIMS AGAINST POLAND FOR CONFISCATED PROPERTY

Question No. 398—**Mr. Ryan:**

Are steps being taken by the Canadian government to seek settlement of outstanding claims for compensation for Canadian property which the Polish government has confiscated or nationalized and, if so, what are such steps?

Hon. Paul Martin (Secretary of State for External Affairs): Repeated efforts have been made in the past by the Canadian government through diplomatic channels to achieve some progress toward a just settlement of these claims. Further discussions took place in 1965 in Warsaw between Canadian officials and the Polish authorities with a view to reaching a preliminary agreement on a satisfactory basis for claims negotiations. As a result, an understanding was reached whereby the Polish government agreed to

enter into negotiations toward a lump sum settlement of Canadian claims on the basis of principles similar to those applied in settlements Poland has concluded with other countries. The Department of External Affairs issued a public announcement on September 1, 1965, inviting Canadians to submit the details of their claims against Poland to this department preparatory to negotiations. The original deadline of January 1, 1966 which was set for the submission of claims to the department was recently extended to May 1, 1966, in response to numerous requests from interested persons. Statements of claim should be prepared in accordance with instructions and questionnaires which may be obtained on request from the claims section of the Department of External Affairs.

POLISH ASSETS IN CANADA

Question No. 399—**Mr. Ryan:**

Does the Canadian government hold Polish property or assets in Canada, and, if so, what disposition is being made of such Polish assets?

Hon. Paul Martin (Secretary of State for External Affairs): Yes. Property in Canada belonging to Polish citizens vested in the Canadian custodian of enemy property during world war II. Subsequently partial releases of these assets were made to certain Polish owners in hardship cases. The government has indicated to the Polish authorities that the question of any further release of these assets, which are valued at approximately $200,000, should be reserved for discussion in the course of the proposed negotiations toward a settlement of Canadian claims.

PROPERTY CLAIMS AGAINST EASTERN EUROPEAN COUNTRIES

Question No. 400—**Mr. Ryan:**

What action is the government taking to assist Canadians who have property claims outstanding against eastern European countries other than Poland?

Hon. Paul Martin (Secretary of State for External Affairs): Canadians obtained compensation for property claims against Yugoslavia under an agreement of December 23, 1948 signed by the British and Yugoslav governments.

A preliminary agreement was signed by Canada and Hungary on June 11, 1964 to negotiate a lump sum settlement of claims of Canadian citizens against Hungary. Subsequently public announcements were made inviting Canadians who have claims against Hungary to submit the details to the Department of External Affairs preparatory to negotiations. Canadian negotiators returned last week from a round of discussions with the Hungarian authorities in Budapest, and further discussions are expected to take place at an early date.

Similarly the government announced on December 1, 1964 that claims of Canadians against Bulgaria should be submitted preparatory to negotiations with that country. Negotiations between Canada and Bulgaria were commenced in Sofia in April 1965 and are expected to be resumed in the near future.

It is hoped that similar progress with respect to Canadian claims outstanding against Czechoslovakia and Roumania can be made in the near future. In all cases the Canadian government is actively pressing for early settlements of these long outstanding claims.

CHAMPLAIN WATERWAY

Question No. 403—**Mr. Laniel:**

1. Have the Canadian and American governments received the report of the study requested from the International Joint Commission concerning the Champlain navigable waterway?

2. If not, has the international study bureau on the Champlain navigable waterway submitted its report and recommendations to the International Joint Commission?

3. When is it expected that these documents may be made public?

4. Will new public hearings be organized by the International Joint Commission in order to allow all interested parties to make representations concerning the report and the suggestions?

Hon. Paul Martin (Secretary of State for External Affairs): 1. No.

2. I am informed by the International Joint Commission that the international Champlain waterway board submitted its Champlain waterway facility report in three volumes to the commission on September 16, 1965. After receiving the report the commission requested the board to provide certain additional information. This is contained in a supplementary report which the commission received from the board on January 7, 1966.

3. I am informed that the I.J.C. expects to make both reports public in the near future.

4. I am informed by the I.J.C. that public hearings will be held in both countries for this purpose on May next.

Questions

ASSISTANCE TO FISHERMEN, P.E.I.

Question No. 404— **Mr. Macquarrie:**

1. What measures of assistance are being provided for lobster fishermen of District Number Eight?
2. How many applications have been received from fishermen from Prince Edward Island?
3. What is the total amount available to qualified applicants from Prince Edward Island?
4. What organizations from Prince Edward Island have made representations to the Minister of Fisheries for additional assistance to lobster fisherment in District Number Eight?
5. What was the response of these representations?

Hon. H. J. Robichaud (Minister of Fisheries): 1. The special assistance made available by the Department of Fisheries to fishermen during January, February, and March 1966, where fishermen suffered a loss of income last season as a result of catch failure applies.

2. 141 to February 4, 1966.

3. $36,650 to February 4, 1966.

4. Acadian Fishermen's Co-Operative Association, Abrams Village; Prince Edward Island Fisheries Federation, Charlottetown; East Prince Fishermen's Association, Cape Egmont.

5. The measures taken are nation-wide, and it is not the intention to develop methods of assistance that would apply to individual groups of fishermen.

DISTRIBUTION OF "HANSARD"

Question No. 406—**Mr. Caouette:**

How many people receive *Hansard*, by province (a) in English (b) in French?

Hon. Judy V. LaMarsh (Secretary of State): Figures up to February 3, 1966.

Province	English	French
Ontario	4,099	339
Quebec	623	1,335
New Brunswick	211	31
Nova Scotia	322	2
Prince Edward Island	92	—
Newfoundland	78	—
Manitoba	453	7
Saskatchewan	397	—
Alberta	425	5
British Columbia	668	1
Northwest Territories	11	—
Yukon	11	—

MANUFACTURED GOODS PURCHASED ABROAD

Question No. 412—**Mr. Laprise:**

1. During the years 1960, 1961, 1962, 1963, 1964 and 1965, what is the amount of manufactured goods from abroad that were bought by (a) Canada, and (b) Quebec?
2. For each of these years, what is the per capita breakdown for (a) Canada, and (b) Quebec?

[*Translation*]

Hon. Robert Winters (Minister of Trade and Commerce): 1 and 2. Imports of fabricated materials and end products into Canada during the years 1960-1964 and January-August 1965 (latest data available) are shown in Table 1 attached. This is the closest available equivalent to a total for "manufactured goods" (including manufactured foodstuffs). There are no statistics to indicate the amount of these imports bought by Quebec.

TABLE 1.

Imports of fabricated materials and end products into Canada, during the years 1960-1964, and January-August, 1965 (latest figures available.)

Year	Fabricated Materials	End Products	Total "Manufactured Goods"	Population of Canada	Imports "Manufactured Goods" Per Capita
	$'000	$'000	$'000	'000	$
1960	1,494,577	2,926,726	4,421,303	17,870	247
1961	1,556,742	3,102,577	4,659,319	18,238	255
1962	1,661,758	3,390,896	5,052,654	18,570	272
1963	1,820,083	3,436,265	5,256,348	18,896	278
1964	2,051,120	4,036,084	6,087,204	19,235	316
Jan.-Aug. 1965	1,474,796	3,074,261	4,549,057	19,571	232

[*English*]

EXPORTS TO AND IMPORTS FROM U.K.

Question No. 415—**Mr. Flemming:**

What was for the last fiscal year the (a) dollar value of exports to the United Kingdom (b) dollar value of imports from the United Kingdom?

416

Hon. Robert Winters (Minister of Trade and Commerce): (a) The dollar value of exports to the United Kingdom for the fiscal year ending March 31, 1965 was:

Domestic exports	$1,197,900,000
Re-exports	7,374,000
Total	$1,205,274,000

(b) The dollar value of imports from the United Kingdom for the fiscal year ending March 31, 1965 was $581,897,000.

[Mr. Martin (Essex East).]

FOREST PRODUCTS EXPORTS

Question No. 416—**Mr. Flemming:**

What was the value of exports of all forest products, including paper and paper products, for the fiscal year ended March 31, 1965?

Hon. Robert Winters (Minister of Trade and Commerce): There are at present no statistics of Canadian exports by industrial origin, and a complete total of exports of forest products is therefore not available. Domestic exports of the principal forest products for the fiscal year ending March 31, 1965 were as follows:

Crude wood materials	$ 54,593,000
Wood fabricated materials	593,753,000
Wood pulp	472,050,000
Paper and paperboard	909,672,000
Total	$2,030,068,000

WAR ON SMOKING

Question No. 418—**Mr. Dinsdale:**

1. Which minister of the crown is now in charge of the "war on smoking" launched by the former Minister of National Health and Welfare, Hon. Judy LaMarsh?

2. What further action is planned in this welfare?

Hon. A. J. MacEachen (Minister of National Health and Welfare): 1. Hon. Allan J. MacEachen, Minister of National Health and Welfare.

2. The five year smoking and health program inaugurated in 1963-64 will continue to inform the public about the risks to health connected with cigarette smoking; encourage smokers to discontinue the habit; dissuade non-smokers from acquiring the habit; and promote research.

HARBOUR IMPROVEMENTS, ARNES, MAN.

Question No. 424—**Mr. Stefanson:**

Has the government any plans for improving harbour facilities at Arnes, Manitoba, and when will these plans be carried out?

Hon. G. J. McIlraith (Minister of Public Works): No.

*SINKING OF "SUZANNE" ON LAKE WINNIPEG

Question No. 425—**Mr. Stefanson:**

Did the boat *Suzanne* sink on Lake Winnipeg, Manitoba, in September, 1965, when nine lives were lost and, if so (a) has the government ordered an inquiry into the sinking, and (b) what form will the inquiry take and when and where will hearings be held?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The motor vessel *Suzanne E.* sank during a storm on lake Winnipeg on 24 September 1965, with the loss of nine lives; and (a) the casualty was investigated by the Department of Transport under the provisions of the Canada Shipping Act; and the deaths were also the subject of a coroner's inquest at which the investigating officer of the Department of Transport was called as a witness. It does not appear that any additional information would be forthcoming if a further public inquiry were held and, accordingly, none is intended; but a report of the findings of the departmental investigator is being prepared and will be made public. (b) Not applicable.

TRANSPORT DEPARTMENT CONSTRUCTION, CHARLOTTETOWN, P.E.I.

Question No. 427—**Mr. MacLean (Queens):**

With regard to the construction of Department of Transport agency facilities at Charlottetown (a) what was the estimated date of completion of each prime contract and when were these contracts, in fact, completed, and what was the total cost of each (b) what contracts have been let and are yet to be completed and what are the estimated dates of completion and what is the cost of each (c) are any contracts to complete this program yet to be let and, if so, what is the estimated cost of same?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): (a) Contracts completed: Marine wharf, estimated date of completion, April 2, 1963. Actual completion, July 9, 1964. Delay due to change by Department of Public Works in foundation design after contract awarded. Soil conditions were worse than borings indicated. Total cost, estimated to date—$1,681,983 but final costs not yet adjusted.

(b) Contracts let and incomplete: Marine stores and offices, estimated date of completion, September 30, 1966. Cost $643,964.

(c) Contracts to be let: (i) Marine shops, estimated cost $350,000.; (ii) Buoy shed, estimated cost $30,000.

PURCHASES OF JAPANESE PLYWOOD

Question No. 434—**Mr. Laprise:**

1. What was the dollar value of plywood bought by Canada from Japan in 1963, 1964 and 1965?

2. Has the elimination of restrictions imposed upon Japanese plywood influenced the volume of imports of that product since the end of 1964?

3. Have any complaints been received from competing Canadian industries and, if so, what does the government intend to do in this respect?

4. In order of importance, what are the types of Japanese plywood that are the most popular in Canada?

Hon. Mitchell Sharp (Minister of Finance): 1. According to the data published by the Dominion Bureau of Statistics, the dollar

value of Canadian plywood imports from Japan is as follows:

	$000
1962	5,516
1963	3,626
1964	6,043
First 10 months	
1964	4,258
1965	4,167

Source: D.B.S. Trade of Canada, Imports by Commodities.

2. The restraint applied by the government of Japan on exports of plywood to Canada was lifted at the beginning of 1964; during 1964, the volume of Canada's imports of plywood from Japan were substantially higher than in 1963. Imports in the first ten months of 1965 were slightly greater than during the same period in 1964.

It is not possible to single out any one reason for the increase in plywood imports from Japan, although the lifting of the restraint no doubt had some bearing on the increase in imports.

3. Last year the government received representations from the Canadian Hardwood Plywood Association requesting various measures of support because of increased import competition. Following a meeting between officials of several government departments and representatives of the association, a questionnaire was prepared in co-operation with the executive of the association, and directed to all known Canadian hardwood plywood producers. The purpose of the questionnaire was to provide up to date information on all factors contributing to the present situation of the industry. The questionnaire was sent out in October and a follow-up letter was mailed to each of the manufacturers early in January. At present, out of a total of twenty-four companies that are members of the association, completed replies have been received from five firms; there has been correspondence with a number of others, and their final replies are awaited. Replies have also been received from a number of hardwood plywood producers who are not members of the Canadian Hardwood Plywood Association, as well as several letters from firms that produce hardwood veneer only.

The increase in the volume of imports and the representations received from the industry have been drawn to the attention of the Japanese government; it is hoped, with the co-operation of the industry, that the survey of the effect of imports on the Canadian market and on Canadian firms will be completed in the near future.

4. According to the Japanese Ministry of Finance export statistics for 1964, the types of plywood exported to Canada according to the volume are: Luaun plywood, not less than 3.2 mm; Luaun plywood, not less than 4 mm; but less than 6.4 mm; further finished plywood.

[Mr. Sharp.]

CONTRIBUTION TO UN TECHNICAL ASSISTANCE FUND

Question No. 435—**Mr. Laprise:**

How much has the government contributed annually to the special technical assistance fund of the United Nations since the inception of the fund?

[*Translation*]

Hon. Paul Martin (Secretary of State for External Affairs): 1. Since the inception of the United Nations Expanded Programme of Technical Assistance Canada has made annual contributions to the program as follows: 1950-51, $850,000; 1952-53, $750,000; 1953-54, $800,000; 1954-55, $1,470,000; 1955-56, $1,480,000; 1956-57, $1,770,000; 1957-58, $1,930,000; 1958-59, $1,950,000; 1959-60, $1,920,000; 1960-61, $1,940,000; 1961-62, $2,220,000; 1962-63, $2,340,000; 1963-64, $2,320,000; 1964-65, $2,330,000; 1965-66, $2,330,000.

SALARIES AND WAGES, TRADE AND COMMERCE DEPARTMENT

Question No. 440—**Mr. Godin:**

What amounts were spent by the Department of Trade and Commerce, during the years 1960 and 1965, for the payment of (a) salaries and wages (b) professional and special services?

Hon. Robert Winters (Minister of Trade and Commerce): 1960: (a) Salaries and Wages, $14,199,787; (b) Professional and Special Services, $647,282.

1965: (a) Salaries and Wages, $22,540,565; (b) Professional and Special Services, $1,135,135.

Note: The above figures include Dominion Bureau of Statistics.

[*English*]

SUGAR BEET PULP MARKETING

Question No. 443—**Mr. Fairweather:**

What percentage of the 1965 sugar beet pulp crop was marketed in (a) Canada (b) the United States (c) other countries?

Hon. Robert Winters (Minister of Trade and Commerce): Information on the 1965 production of sugar beet pulp is not available. In

1964 shipments of dried sugar beet pulp and sugar beet pulp with molasses added amounted to 74,800 tons. How much of the 1964 production was consumed in Canada or exported is not known.

*SUBSIDY PAYMENTS ON CREAM

Question No. 450—**Mr. Rynard:**

1. What is the differential in subsidy paid for sweet cream, grade one cream, and grade two cream?

2. On what basis are they classified?

Hon. J. J. Greene (Minister of Agriculture): 1. The Agricultural Stabilization Board pays producers a subsidy of 10.9 cents per pound butterfat regardless of quality when the cream is manufactured into creamery butter. Price differentials between special, first and second grade are under provincial jurisdiction. These differentials vary from province to province.

2. The grades of cream used for the manufacture of butter are based primarily on flavour and acidity.

USE OF FIREFIGHTING EQUIPMENT, FORT CHIMO

Question No. 457—**Mr. McCleave:**

1. What firefighting equipment is used by the Department of Transport at Fort Chimo?

2. Was the use of any of such equipment requested but refused in the case of a fire which gutted the home of an Eskimo, named Jacob Gordon and, if so, on what grounds?

3. Is there now a policy by which federal firefighting equipment may be used outside federal properties in the North?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. The department maintains one 1950 Willys Jeep at Fort Chimo airport. The extinguishant medium of this vehicle consists of 300 lbs. of dry chemical powder for extinguishing flammable liquid fires.

2. A request was received from the Department of Northern Affairs for the use of a fire truck. When informed by the airport manager that the DOT vehicle was not a fire truck in the normal sense and that the DNA water truck was more suitable for the purpose it was decided to use the water truck.

3. The use of departmental vehicles for fighting fires on other than federal properties is at the discretion of the airport manager.

INVITATIONS TO EXPO '67

Question No. 459—**Mr. Allard:**

With regard to persons of distinction whom the government intends to invite to Expo '67 during the centennial celebrations (a) will invitations be sent to heads of state and, if so, to whom among them (b) when will the said invitations be sent and will they all be sent at the same time (c) will an invitation be sent soon to His Holiness, Pope Paul VI, head of the Vatican state?

[*Translation*]

Hon. Paul Martin (Secretary of State for External Affairs): The question of invitations to persons of distinction of other states to visit Canada in 1967 is at present under active consideration.

[*English*]

WAGES OF MOTOR TRANSPORT EMPLOYEES, HALIFAX

Question No. 476—**Mr. Douglas:**

1. Why are the rates of pay for motor transport employees at HMC Dockyard, Halifax, N.S., determined by reference to the rates paid by seven shipyards in the maritimes and St. Lawrence areas, whereas the rates for the motor transport at HMCS *Shearwater* are determined by reference to prevailing rates in the transport industry?

2. What is the shift differential paid to workers employed in the motor transport section at HMC Dockyard, Halifax?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. All rates of pay in HMC Dockyard, Halifax, are based now upon one comparison thereby eliminating industrial disputes previously caused when more than one area of comparison was used in determining rates at the Dockyard. In so far as HMCS *Shearwater* is concerned, the motor transport rates are established, like all other trades at the air station, against rates prevailing in the Halifax area. The Halifax area is one of the many geographical areas selected by the Department of Labour to collect wage rate data from outside employers. Such data is used as a basis for a recommendation to Treasury Board to establish rates of pay for prevailing rate employees in the area.

2. Time and one eighth for work on a night shift has been approved.

CHIBOUGAMAU, QUE., RÉSOLUTION ON FAMILY ALLOWANCES

Question No. 485—**Mr. Laprise:**

1. Did the government receive a resolution from the city of Chibougamau, asking that family allowances be increased to $25 monthly for each child?

2. Does the government intend to grant this request?

[*Translation*]

Hon. A. J. MacEachen (Minister of National Health and Welfare): 1. Yes.

2. As this is a matter of government policy, any announcement will be made by the government at the appropriate time.

Questions

[*English*]

SOUTH SASKATCHEWAN RIVER DAM

Question No. 486—**Mr. Lind:**

In respect of the Saskatchewan dam (a) what has been the federal financial contribution to date (b) what has been the provincial financial contribution to date (c) what is the cost of power installation by Saskatchewan Hydro (i) what amount on site power will be installed (ii) what is the estimated cost per kilowatt (d) was there an undertaking by the province to service an area of land for irrigation and, if so, how many acres (e) how many acres of land for irrigation have been made available (f) what is now the total final cost of the project (g) has the water of this lake become alkaline?

Hon. J. J. Greene (Minister of Agriculture): 1. (a) Canada's contribution to capital works to December 31, 1965, taking into account the sharing of costs as provided under the agreement, is $76,878,636.

(b) The province of Saskatchewan reports its contribution to capital works to December 31, 1965, taking into account the sharing of costs as provided under the agreement, is $22,159,836.

(c)* The cost of power installation in the initial stage is estimated at $23,000,000. (i) Initially 252,000 horsepower of a potential 400,000 horsepower at full development. (ii) The estimated cost of the power facilities is $123 per kilowatt in the initial installation.

(d) Yes, 50,000 acres within one year of the reservoir being raised to minimum irrigation level and to develop the entire irrigation system as rapidly as practicable.

(e)* The province of Saskatchewan is presently planning and constructing works for 40,000 acres.

(f)* The cost of the project, including ultimate power and irrigation development, is estimated to be $209,000,000.

(g) The lake created by the dam is only partially filled as construction is not completed. There have been no indication that this lake is, or will become alkaline.

*Part of the information given in these answers has been assembled from data published by agencies of the province of Saskatchewan.

APPLICATION OF PENSION PLAN, ATOMIC ENERGY LTD.

Question No. 494—**Mr. Hopkins:**

Is the government considering laying down a definite ruling on the stacking or integration of the Canada Pension Plan in so far as the employees of Atomic Energy of Canada Limited, at Chalk River, are concerned, or are the employees going to be given a choice?

[Mr. MacEachen.]

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): 1. All Atomic Energy of Canada Limited salaried employees engaged on a continuing basis—whether or not they are included in a bargaining unit—come under the Public Service Superannuation Act. For them, the Canada Pension Plan will be integrated with public service superannuation in the same way as for federal civil servants.

Atomic Energy of Canada Limited employees paid on the basis of hourly rates do not come under the Public Service Superannuation Act. At Chalk River nuclear laboratories, except for guards, all these employees are included in bargaining units, and collective agreements between Atomic Energy of Canada Limited and the unions concerned have recently been signed. In these agreements, a partial integration and a partial stacking of Canada Pension Plan and the pension plan previously in effect have been agreed upon. This same arrangement has been put into effect for the guards.

MILITARY HOSPITAL, CAMP PETAWAWA

Question No. 497—**Mr. Hopkins:**

In view of the urgent need for hospital facilities, has the government considered the construction of a new hospital for military personnel in Camp Petawawa and, if so, at what stage are any plans in this regard?

Hon. Léo Cadieux (Associate Minister of National Defence): The question is under consideration. Planning is at the preliminary stage.

COMMEMORATIVE STAMP, MIGRATORY BIRD TREATY

Question No. 502—**Mr. MacLean (Queens):**

Is it the intention of the Post Office Department as the United States post office is doing to issue in March of this year a special stamp to commemorate the fiftieth anniversary of the migratory bird treaty between Canada and the United States?

Hon. Jean-Pierre Côté (Postmaster General): No. As a result of the contribution the Post Office is making in commemorating the centennial of confederation, the philatelic program for 1966-67 is one of the heaviest in Canada's history. Numerous outstanding subjects have been suggested for portrayal on postage stamps, therefore, it is necessary to defer many worthy suggestions with national and international connotations.

1966 SEAL HUNT, GULF OF ST. LAWRENCE

Question No. 503—**Mr. MacLean (Queens):**

1. Will any foreign countries be allowed to hunt seals in the gulf of St. Lawrence during 1966?
2. Will there be a quota on the total number of seals which may be killed in the gulf of St. Lawrence in 1966?
3. What conservation measures, if any, will be in force with regard to the killing of hair seals on the high seas in the North Atlantic in 1966?

Hon. H. J. Robichaud (Minister of Fisheries): 1. Norway, the only country other than Canada that has hunted seals in the gulf of St. Lawrence in modern times, consented to refrain from sealing in 1965 and has renewed this consent in 1966.

2. The quota is the same as last year; namely, 50,000 young seals.

3. Prohibition to kill harp and hood seals from May 1st to the 11th of March next following, both days inclusive, and to kill harp seals in breeding patches.

EMPLOYEES COVERED BY LABOUR CODE DEFERMENT APPLICATIONS

Question No. 523—**Mr. Orlikow:**

How many employees are covered by submissions for deferment under sections 51 and 52 of the Canada Labour (Standards) Code that were pending on July 1, 1965, and are, therefore, not covered by the provisions of the Canada Labour (Standards) Code, even though they come under the jurisdiction of the federal government?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): This information is not available. Most of the employers making submissions for deferment did not supply information as to the number of employees affected.

*RABIES PROBLEM, ONTARIO AND QUEBEC

Question No. 532—**Mr. Rynard:**

1. Is there an unsatisfactory chronic residue of rabies remaining in Canada, particularly in Ontario and Quebec?
2. Will the government advise what research is now being done and what additional steps will now be taken to deal with this problem?

Hon. J. J. Greene (Minister of Agriculture): 1. A reservoir of infection persists in various wildlife species in Ontario and Quebec.

2. Research by the Department of Agriculture, Animal Diseases Research Institute, has been in the field of developing more rapid tests for the diagnosis of rabies in animals, as well as on studies of the various vaccines available for the immunization of dogs and other animals against rabies.

Rabies in animals is a reportable disease under the animal contagious diseases regulations and the department's control program embodies investigation of reported cases, diagnosis, referral of human exposures to medical authorities, quarantines, and free dog vaccination clinics in the infected areas. In addition, a rabies indemnity program provides assistance to owners where domestic livestock have died as a result of rabies.

GRAIN STORAGE, CHURCHILL

Question No. 585—**Mr. Korchinski:**

How much grain has been in storage at Churchill for each month since the closing of shipping from that port in 1965?

Hon. J. J. Greene (Minister of Agriculture): The same quantity of grain has been in store each month at Churchill since the close of the 1965 shipping season, viz: 824,115 bushels wheat; 5,526 bushels mixed feed oats; 491 tons sample grain; 1,417 tons screenings.

QUESTIONS PASSED AS ORDERS FOR RETURNS

MINERAL PRODUCTION

Question No. 25—**Mr. Tucker:**

What was the total production of all minerals, in tons and dollar value, in each province of Canada from (a) January 1 to December 31, 1964, and (b) January 1 to December 31, 1965, inclusive?

Return tabled.

PROVINCIAL ARDA PROGRAMS

Question No. 42—**Mr. Allard:**

1. Which provinces have included Indian lands and Indians in the ARDA program?
2. What is the nature and location of each ARDA project in Quebec whether accepted or under consideration?
3. In what provinces are there joint advisory committees to advise the province and the federal government on ARDA projects?
4. How much was spent in each province, under the ARDA program prior to December 31, 1965?

Return tabled.

*PRESERVATION OF INDIAN SHRINE, SASKATCHEWAN

Question No. 172—**Mr. Brand:**

1. Has any consideration been given to extending aid to the Cree Indians of Elbow, Saskatchewan, in their anxiety to have the 400-ton Plains Cree shrine (Mistaseni) moved to safe ground before its possible flooding by the waters of the South Saskatchewan dam reservoir?
2. Will consideration be given to the formation of a special parliamentary committee to inquire into the need for a national antiquities act that would protect Indian historic objects and monuments such as the Plains Cree shrine (Mistaseni) from the reservoir of the South Saskatchewan dam?

Return tabled.

MOTIONS FOR PAPERS

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, notice of motion No. 88 is acceptable to the government, subject to the usual reservations regarding classified documents and subject to the approval of the provincial and municipal authorities, if necessary, and to the Indian organization concerned.

[*English*]

Mr. Speaker: Subject to the reservations and conditions expressed by the parliamentary secretary is it the pleasure of the house that notice of motion No. 88 be adopted?

Some hon. Members: Agreed.

[*Translation*]

Mr. Béchard: Would Your Honour call notices of motions No. 10, 83, 86 and 90? I would ask that the remaining notices of motions stand.

[*English*]

IDENTICAL BIDS FOR ELECTRICAL EQUIPMENT

Motion No. 10—**Mr. Orlikow:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence between municipalities, provincial governments, hydro-electric systems, etc., and the Department of Justice, combines division, in the past three years regarding the submission of these agencies of identical tenders when bids for equipment or supplies have been called for.

Hon. Guy Favreau (President of the Privy Council): Mr. Speaker, I have had occasion to discuss the terms of this motion with the hon. member for Winnipeg North, and it would seem appropriate to include papers relating to a period beginning January 18, 1963 and continuing to date, and to include also within the scope of the motion such municipal agencies as school boards, public utilities and hospitals. There will, of course, have to be the usual reservations with respect to obtaining the permission of the governments concerned. Hon. members are also aware of the long standing policy respecting the principle of privacy inherent in the act not to make public, before a report has been published, any facts about an inquiry currently in progress or which may give rise to an inquiry. Subject to these reservations I will endeavour to locate and table the papers in question.

Mr. Orlikow: This is agreeable to me, Mr. Speaker.

[Mr. Brand.]

Mr. Speaker: Subject to the reservations expressed by the minister, shall this motion carry?

Some hon. Members: Carried.

Motion agreed to.

CANADIAN PACIFIC INVESTMENTS LTD.

Motion No. 83—**Mr. Knowles:**

That an order of the house do issue for a copy of all the copies of documents filed by Canadian Pacific Investments Limited with the United States securities and exchange commission in Washington in the possession of the Privy Council office and the Department of Finance as noted in the reply to question No. 52 as reported on page 573 of *Hansard* for February 2, 1966.

Hon. Guy Favreau (President of the Privy Council): Mr. Speaker, I understand from a discussion I have had with the hon. member for Winnipeg North Centre that if the government voluntarily tables the documents referred to in the motion, he has no objection to withdrawing his motion.

Mr. Knowles: That is correct, Mr. Speaker. So long as the documents are tabled I have no objection to withdrawing the formal motion.

Mr. Speaker: Is the motion dropped?

Order discharged and motion withdrawn.

CONSOLIDATION OF SCHOOLS, LIBAU, MAN.

Motion No. 86—**Mr. Schreyer:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence exchanged between the Indian affairs branch of the Department of Citizenship and Immigration and the (a) department of education of Manitoba (b) chief and council of the Brokenhead Indian reserve, and (c) Libau School District, regarding consolidation of schools in the area of Libau, Manitoba, and the Brokenhead Indian reserve.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, this is entirely agreeable, subject to the usual reservations with respect to documents which are private, and subject to the approval of the government of the province of Manitoba.

Mr. Speaker: Subject to the reservations and conditions expressed by the minister, shall the motion carry?

Some hon. Members: Carried.

Motion agreed to.

WATER POLLUTION, WINNIPEG RIVER

Motion No. 88—**Mr. Schreyer:**

That an order of the house do issue for a copy of all correspondence with the Indian affairs branch and/or the Department of Northern Affairs and

National Resources, relative to the problem of water pollution in the Winnipeg river as it affects the town of Pine Falls and the Fort Alexander Indian reserve.

Motion agreed to.

C.B.C. "PREVIEW COMMENTARY" FOR FEB. 11, 1966

Motion No. 90—**Mr. Coates:**

That an order of the house do issue for a copy of the "Preview Commentary" heard on the C.B.C. the morning of February 11, 1966.

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, as the matter referred to in the motion is not a document within the custody and control of the government, I understand from discussions which have been held with my hon. friend that he agrees to withdraw the formal motion. On that condition I am prepared to table a copy of the document in question on a voluntary basis.

Mr. Coates: I am in agreement, Mr. Speaker.

Mr. Speaker: Is it agreed that the motion be withdrawn and the document tabled at this time?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

Mr. Speaker: Shall the remaining motions stand?

Some hon. Members: Agreed.

FINANCE

TRANSFER OF FUNDS BY CANADIAN SUBSIDIARIES OF U.S. COMPANIES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would ask the Prime Minister whether his attention has been directed to remarks of the Liberal leader in Ontario who, in dramatic fashion, set forth the detrimental effects of the United States economic guide lines; and in particular whether the government has looked into the question raised by him to the effect that these guide lines restrict the amount of capital available in Canada, that U.S. corporations are draining money from Canada for investment in foreign countries, and that:

Total borrowings for the past five months come to at least $300 million in U.S. funds, much of it raised in Ontario.

Does the Prime Minister agree with Mr. Thompson's contention that this borrowing is raising interest rates in Canada and taking dollars out of this country at a time when

Canada desperately needs them for its own development?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have missed the report to which my right hon. friend has referred, but I shall be glad to have a look at it.

Mr. Diefenbaker: Will the Prime Minister say whether there is any justification in the point of view expressed that Canada is a kind of economic beagle in the way it is being treated?

Mr. Speaker: Order, please. It seems to me that the right hon. Leader of the Opposition is asking the right hon. Prime Minister to express an opinion about the justification for an article which appeared in a newspaper. I suggest that question is not in order.

Hon. J. W. Monteith (Perth): I should like to ask the Prime Minister a supplementary question. Will he also determine whether certain companies such as General Electric, B. F. Goodrich and General Foods, among others, have transferred funds to the United States from Canadian subsidiaries?

Mr. Speaker: Order, please. I suggest that question is also out of order.

[*Translation*]

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

Does the minister intend to institute a new procedure which would force Canadian companies, subsidiaries of American companies, to reveal to the Department of Finance their movements of capital to foreign countries?

[*English*]

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, we do know a good deal about this situation, and perhaps it would be of interest to the house if I stated some of the facts concerning the transfer of funds to the United States. Canadians have for many years—

Mr. Nielsen: Mr. Speaker, I rise on a point of order. This is the shortest day in the week as far as our sitting hours are concerned, and we only have half an hour for oral questions. I am sure the minister and the house will agree to revert to motions so the minister can make a statement to which we will have the opportunity of replying. I am sure everyone will agree to a request to revert to motions for that purpose.

Some hon. Members: Agreed.

Inquiries of the Ministry

Mr. McIlraith: On the point of order, Mr. Speaker, I should like to say that if a question is proper, then it is proper for the minister to answer it. If on the other hand, as the hon. member suggests, we should revert to motions, the question would have been ruled out of order.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. I recognize the question as being of a general nature, and that perhaps it should not have been allowed. However, it has been allowed, and I suggest that the minister should be allowed to reply if he so wishes at this time. His reply should be brief, of course, as that is one of the requirements in respect of questions and answers at this time.

Mr. Sharp: Thank you very much, Mr. Speaker. During the first nine months of 1965, the last period for which statistics are available, the net purchases by Canadians of foreign securities amounted to approximately $62 million. Preliminary indications are that during the last quarter of 1965 net purchases by Canadians of foreign securities, including those that were described by the leader of the Liberal party in Ontario, were only about $10 million.

Mr. Diefenbaker: Mr. Speaker, I rise on a point of order. You ruled my question out of order and said it was improper. Now the minister is trying to surreptitiously make this statement.

An hon. Member: He is trying to smuggle it in.

Mr. Speaker: Order, please. Perhaps the explanation given by the minister so far is sufficient to answer the question and we should proceed to another question.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance because he did not reply to my previous one.

Does the minister intend to institute a new procedure which would force Canadian companies, subsidiaries of American companies, to reveal their transfer of capital, something which is not being done at the present time?

[*English*]

Mr. Speaker: My view at this time is that this question is of a very general nature and might be placed on the order paper.

[Mr. Nielsen.]

BROADCASTING

APPLICATION OF REGULATION RESPECTING POLITICAL BROADCASTS BEFORE ELECTION

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 regarding a B B.G. regulation which forbids political broadcasts for 48 hours prior to an election or by-election. There is a by-election today in the province of Saskatchewan and "The Nation's Business" program at six o'clock tonight has been cancelled. I want to ask the minister why the C.T.V. program on Monday evening featuring the Prime Minister being interviewed by Pierre Burton was not also cancelled. Will the Secretary of State indicate whether the regulation in question applies only to the C.B.C. and not to private stations?

Mr. Speaker: Order, please. I suggest that is not a proper question. The hon. member is referring to something that has already happened. Perhaps he will put the question on the order paper.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please I feel that the question directed to the Secretary of State is not a proper question. Certainly it is irregular.

Mr. Douglas: Mr. Speaker, I rise on a point of order. The program to which I referred is to be broadcast tonight at six o'clock and, unless some action is taken, that program will be cancelled. I am raising a question as to whether the regulation of the B.B.G. applies only to the C.B.C., or whether it should be applied fairly across the board. Since the C.T.V. did not observe this particular rule, I am wondering whether the minister will allow this program to proceed at six o'clock tonight.

Mr. Diefenbaker: Surely that is a proper question.

Mr. Speaker: Perhaps I did not understand the question correctly in the first instance. I thought the hon. member indicated that the program at six o'clock tonight had been cancelled. I apologize if I did not understand him correctly. Perhaps the minister would like to reply to the question.

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I am sorry I did not know of this situation. It seems to me that this regulation should apply to both private and public broadcasting stations. I assure the hon. gentleman that I will look into the situation well

prior to six o'clock and, although I will not have an opportunity to inform the house about it, I will pass on the information to the hon. gentleman.

HEALTH AND WELFARE

MEDICARE—IS FEDERAL PLAN TO BE COMPULSORY?

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the fact that the latest Gallup poll shows that a clear majority of Canadians prefer a medicare plan on a voluntary basis, does the government intend to proceed with its plans to introduce a plan on a compulsory basis?

Mr. Starr: They don't believe in Gallup polls any more since the last election.

Mr. Speaker: This also is a question of a general nature. It is sometimes difficult for the Chair to determine whether this type of question should be asked, but I would be inclined to rule this one out of order.

THE MINISTRY

SUGGESTED EXTENSION OF RESPONSIBILITY OF PARLIAMENTARY SECRETARIES

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the right hon. Prime Minister and has to do with the efficiency and effectiveness both of the parliamentary process and governmental departments. In view of the fact that on Monday night the Prime Minister stated there was not time to think, there was not time to make decisions, there was not time to get parliamentary action on important matters, is the Prime Minister considering giving the parliamentary secretaries some greater degree of authority and responsibility?

Mr. Speaker: Order, please. This is not a question that can be asked at this time; it is of a general nature.

OLD AGE SECURITY

CONSIDERATION OF INCREASE IN AMOUNT OF PENSION

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I wish to direct a question to the Prime Minister and ask if he is in a position to say whether he is now considering the increase requested in old age pensions, and whether he is asking the provinces to undertake any share in any such increase?

Right Hon. L. B. Pearson (Prime Minister): This is a matter of very important government policy, Mr. Speaker, and my hon. friend knows of course that it would not be proper to answer it on the orders of the day.

HARBOURS

VANCOUVER—DECISION ON OWNERSHIP OF PROPERTIES

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, because of its importance I desire to direct a question to the right hon. Prime Minister, although I realize it may have to be answered by the Minister of Transport.

Some hon. Members: Oh, oh.

Mr. Winch: I have been advised by telephone this afternoon from Vancouver that it is thought a settlement has been reached relative to the ownership of harbour properties in the port of Vancouver. It is thought that a decision has been reached in this regard. I should like to ask this question. If this is correct, will the report be tabled in the house and a statement made; and if it is not correct, can we anticipate that the report of the commission appointed to arbitrate this matter between the harbour commission and the C.P.R. will be tabled as soon as possible?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the Minister of Transport will be able to give a brief answer to this question.

An hon. Member: Make it brief.

Hon. J. W. Pickersgill (Minister of Transport): The briefest answer I can give is, I don't know.

Some hon. Members: Oh, oh.

Mr. Pickersgill: But I do know that negotiations are going on, and the last report I had was that they looked as though they were very close to conclusion. I will look into the matter just as soon as I can and reply further.

Mr. Winch: A supplementary question, Mr. Speaker. My information from Vancouver today is that a decision has been arrived at and there is agreement on this matter.

Mr. Speaker: Order, please.

Inquiries of the Ministry

HIGHWAY SAFETY

REQUEST FOR REMOVAL OF RAILWAY LEVEL CROSSINGS

On the orders of the day:

Mr. P. V. Noble (Grey North): Mr. Speaker, I should like to direct this question to the Minister of Transport. Would the minister make a contribution toward highway safety by way of the removal of railway level crossings? Second, where this is not practicable, would he instal signal protection devices; and third, would he consider making this a centennial project?

Mr. Speaker: Order, please. These are very important and interesting questions which might be placed on the order paper.

TRADE

SUGGESTED RECALL OF TRADE COMMISSIONERS FOR CONSULTATIONS

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Now that he has returned from his visit to Paris where he met with his trade commissioners in Europe, has he been able to make a decision to have all his trade commissioners from all over the world confer with the businessmen of Canada in order to better acquaint them with trade opportunities throughout the world?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I had a very productive and very interesting meeting with 29 trade commissioners from 25 countries. We discussed at considerable length the opportunities for further trade by Canadian business in those countries. We concluded that there are opportunities if businessmen can take advantage of them on the basis of price, quantity and good service, which I am sure they can. We discussed the best means of their taking advantage of the Canadian trade commissioner service. All these matters are under consideration and you may be sure, Mr. Speaker, that we shall use them to the best advantage of the Canadian business community.

Mr. Hees: A supplementary question, Mr. Speaker. Would the minister, after his preliminary reply, now just answer my question yes or no?

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

[Mr. Speaker.]

Hon. E. D. Fulton (Kamloops): I have a question for the minister, Mr. Speaker. Did the minister have an equally productive meeting with the directors of Brinco at lunch today; and if so, can he report to us the decision arrived at there?

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I have a supplementary question for the Minister of Trade and Commerce. I hope that he enjoyed his stay in France and that he appreciated the beauties of the French language.

Could he tell the house whether the proposed uranium transaction between Canada and France was discussed during his trip and whether he has anything to announce in that regard?

[*English*]

Mr. Winters: I did enjoy the beauties of the French language; I even tried a bit of it myself. As regards our discussion on uranium, I did indeed have very interesting discussions with the minister responsible, Mr. Peyrefitte. We exchanged views on the position of each other's government. He is a new minister in his present portfolio, as am I, and we regarded this as an opportunity to get to know each other. While I cannot inform the house of any substantial news, we did agree that it would be in our mutual interest to meet from time to time.

WATER RESOURCES

STEPS TO IMPLEMENT REPORT ON GREAT LAKES POLLUTION

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Have any discussions yet been initiated with the government of the United States to commence joint action on the elimination of pollution of lakes Erie and Ontario, in accordance with the recommendations of the International Joint Commission?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, as my hon. friend is perhaps aware, the International Joint Commission which is representative of both countries and is an agency established by both governments has made an interim report on actions that might be taken with regard to pollution in the Great Lakes. I believe that my colleague the minister of energy and resources will have something to

say on this subject in so far as action contemplated by the federal government is concerned.

Mr. Aiken: Mr. Speaker, I wonder whether the minister is going to answer my question, because I would be glad to hear the answer. I am interested in knowing whether as a result of this report discussions have been commenced.

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, I was somewhat reluctant to answer that question, because it may take quite a bit of time.

The first recommendation of the international joint commission asks for the support of public powers. In this regard, I believe the Secretary of State for External Affairs (Mr. Martin) said, when his estimates were up for consideration, that the federal government would keep subsidizing that survey. There are also four departments of the federal government which are now contributing to the research work of the commission. Such work will be continued at a cost of several million dollars. In that way, I feel the first recommendation is implemented. The second recommendation, however, is much broader. It suggests:

> That all industrial, urban and residual waters be adequately treated and that no combined sanitary and storm sewers be allowed, etc.

The implementation of those recommendations depends mainly, on the municipalities and the provinces, I think. However, it has become obvious that in the field of pollution someone must look after the common interests and assume the responsibility for coordinating the action of the various levels of government—

Mr. Speaker: Order.

[*English*]

Mr. Aiken: All I asked was a simple question. Have discussions been entered into with the United States government with a view to carrying out, along with the province of Ontario these recommendations? I know there are a lot of problems, but we have to make a beginning. Have the discussions started?

Mr. Martin (Essex East): As I have indicated, in so far as action by the two governments is concerned, they have joined together in a request resulting in the interim study which has set forth certain recommendations. Now each government will consider those recommendations. The federal government's position has been stated by my colleague. The position of the United States government will be taken by it, as will the position of the province of Ontario, the municipalities in that province and the municipalities in the state of Michigan.

Mr. Nielsen: Have they started discussions?

ONTARIO—ACQUISITION OF LAND FOR CONSERVATION PROJECTS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Minister of Northern Affairs and National Resources, and this is further to my question of several weeks ago and the minister's affirmative reply. Has the minister or any member of his department as yet opened discussions with the Ontario Minister of Resources or any member of his department concerning the payment by the federal government of its share, namely, 37.5 per cent of the cost of land for conservation projects in the province of Ontario? I ask this question because several large conservation projects in Ontario are being held up because the present government is apparently reneging on its agreed payment for its share of these costs.

Mr. Speaker: The question is not submitted in the proper way, and I suggest for this reason it is out of order.

EXTERNAL AFFAIRS

VIET NAM—REQUEST BY U.S. FOR INCREASED AID

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Will the Prime Minister say, in view of the statement made yesterday in Toronto by General Maxwell Taylor, special aide to the President in connection with matters such as Viet Nam, whether the United States has expressed a desire for, and I quote, "very tangible aid" from Canada so far as Viet Nam is concerned? Has there been any such request, and what kind of aid has been asked for by the United States?

Right Hon. L. B. Pearson (Prime Minister): We have had no request from the United States government asking, to use my right hon. friend's words, "more tangible aid". We have had discussions with the United States regarding the increase in our economic assistance in Viet Nam.

Inquiries of the Ministry

Mr. Diefenbaker: Will the Prime Minister say what would be the nature of the additional economic assistance that is being requested?

Hon. Paul Martin (Secretary of State for External Affairs): The Prime Minister suggests that I might reply to this part of the question. The total available aid to Viet Nam under our external aid appropriations in 1965-66 is about a million and a half dollars. This represents an increase of half a million over the situation a year ago. We have been endeavouring to give further medical assistance. We have a plan already prepared with the assistance of Dr. Gingras of the Rehabilitation Institute in Montreal—he was in the city yesterday on his return from Saigon—and we are prepared to send a medical team just as soon as the facilities we have requested can be put at our disposal by the government of South Viet Nam.

Mr. Diefenbaker: What size of team?

Mr. Martin (Essex East): It could be a team of three doctors and some 15 other personnel. This is a project which all the parties concerned, having discussed this matter, agreed would be a desirable Canadian contribution. In addition, there is the offer of the Canadian government, made by the Prime Minister, to assist further on the Mekong river project and the general scheme of social reconstruction and rehabilitation mentioned by the President of the United States a few months ago.

[*Later*]

Mr. J. A. Mongrain (Trois-Rivières): In view of the fact that we may find ourselves more deeply involved in Viet Nam, will the Prime Minister consider the possibility of sending a delegation from this house to study the situation thoroughly on the spot and then report to the house?

Mr. Speaker: Order, please. This is a very interesting suggestion and perhaps the Prime Minister will take it into consideration. The hon. member should place the question on the order paper.

HEALTH AND WELFARE

CONSIDERATION OF RESTRICTIONS ON USE OF PESTICIDES AND HERBICIDES

On the orders of the day:

Mr. William Dean Howe (Hamilton South): Mr. Speaker, I should like to address a question to the Minister of National Health and Welfare in respect of a statement in today's *Globe and Mail* attributed to an official of his department. In view of the increasingly obvious dangers to humans and livestock from the use of pesticides and herbicides, is the minister considering immediate action to restrict the use of these chemicals?

Hon. A. J. MacEachen (Minister of National Health and Welfare): As I pointed out in a reply to an earlier question, the research is continuing with regard to this problem. The department is taking the usual action in controlling the residue that may be found in food and other materials for human consumption. This work of the department is going along in the normal, effective way.

Mr. Howe (Hamilton South): May I ask a supplementary question. Is there any thought of abandoning the use of these obviously dangerous chemicals until such time as it can be determined what degree of danger they represent?

Mr. MacEachen: To my knowledge, there is no food on the market in which there is a dangerous level of any such chemical.

BANKRUPTCY

INQUIRY AS TO REPRESENTATIONS FROM LABOUR ORGANIZATIONS

On the orders of the day:

Mr. Raymond Langlois (Mégantic): I should like to ask the Minister of Labour if he has received any specific recommendations from labour leaders in the C.L.C. or the C.N.T.U. regarding labour's position in relation to the bankruptcy problem? If so, does the minister intend to report to the house on those recommendations?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, the Prime Minister and other members of the government did receive a memorandum containing a great many suggestions and representations yesterday from the Canadian Labour Congress, all of which will be carefully considered. I can also inform the hon. member that the government will meet with leaders and members of the C.N.T.U. delegation later this afternoon.

Mr. Langlois (Mégantic): May I ask a supplementary question?

Mr. Speaker: Order. We have only a short time, and I suggest we should allow other members an opportunity to ask a question.

[*Later*]

[*Translation*]

Mr. Langlois (Mégantic): Mr. Speaker, may I direct to the Minister of Justice a question

supplementary to the one I asked the Minister of Labour a little earlier?

Will the terms of reference of the committee on the Bankruptcy Act allow labour unions to express their views in the same manner as businessmen?

Hon. Lucien Cardin (Minister of Justice): Mr. Speaker, I am of the opinion that there will not be any discrimination between labour unions and industries about representations that can be made later to the committee.

[*English*]

MUNICIPAL DEVELOPMENT LOANS ACT

INQUIRY AS TO EXTENSION OF PERIOD

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): I have a short question for the Minister of Finance. In view of the minister's meeting with provincial ministers yesterday, and in view of the importance of this subject to many municipalities in the Atlantic area as well as other parts of the country, will the minister please advise the house whether he has now made a decision to extend the terms of the Municipal Development Loans Act beyond March 31?

Hon. Mitchell Sharp (Minister of Finance): May I point out to the hon. member that that date was fixed by parliament, not by the government, and it would require an amendment to the legislation. After receiving representations from the provincial ministers yesterday, I am discussing this matter with my colleagues as to whether we should recommend such an amendment.

Mr. Bell (Saint John-Albert): Will the minister keep in mind the promise he made to introduce this legislation early?

TRADE

REQUEST FOR REPORT ON TARIFF NEGOTIATIONS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce who on St. Valentine's Day, I understand, met with the Canadian delegation to the so-called Kennedy round of tariff negotiations. I wonder whether the minister could give any indication to the house of the expectations that might arise from those discussions?

Hon. Robert Winters (Minister of Trade and Commerce): I would be glad to do so, Mr. Speaker, but not in a word. As time is short I suggest that perhaps we can leave this until my estimates are before the house for consideration.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO EXTENSION TO FARM LABOUR

On the orders of the day:

Hon. Hugh John Flemming (Victoria-Carleton): Mr. Speaker, I should like to direct a question to the Prime Minister. Is the Prime Minister able to inform the house whether the government is considering action by which farm labour will be able to qualify for unemployment insurance benefits in the near future?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, that is something we hope to do during this session. When we will get to it I do not quite know.

[*Translation*]

HOUSING

MONTREAL—SHARING OF DEFICITS IN JOINT PROJECTS

On the orders of the day:

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, may I direct a question to the Minister of Labour? I gave him notice of my question.

Could the minister tell the house if the Central Housing and Mortgage Corporation has any intention of making up deficits incurred by other housing organizations, as it is doing already for the city of Montreal with regard to the Habitations Jeanne-Mance?

[*English*]

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, the National Housing Act authorizes Central Mortgage and Housing Corporation to join with provinces and municipalities in the development of housing projects and to pay deficits or losses in connection with the operation of such projects. If the housing corporations referred to by my hon. friend in his question are agencies of the province or of the municipality, then they probably would qualify for assistance; otherwise not. However, I must say that each project must be considered in the light of the circumstances of the project itself, since circumstances so frequently differ. I could not answer a general question of this kind without particulars.

Supply—Transport

POST OFFICE DEPARTMENT

STEPS TO OVERCOME LOSS ON SECOND CLASS MAIL

On the orders of the day:

Mr. Max Saltsman (Waterloo South): Mr. Speaker, I should like to address my question to the Postmaster General. In view of the Auditor General's request that parliament should give early consideration to ways and means of covering the loss sustained by the Post Office Department in the handling of second class mail, will the Postmaster General indicate what steps he has taken to bring this recommendation before parliament?

Mr. Speaker: Order, please. This also is a question which is of a general nature and should be placed on the order paper.

Mr. Saltsman: Mr. Speaker, on a point of order, this question has been hanging fire since 1963 and the Post Office Department has lost about $35 million as a result.

Mr. Speaker: I realize it is important but the hon. member knows that if he thinks it is that urgent he can always discuss it on the adjournment debate.

Mr. Nielsen: A supplementary question, Mr. Speaker—

Mr. Speaker: Order. Perhaps the question could be asked tomorrow by the hon. member for Yukon. The time allowed for questions this day has now expired.

SUPPLY

House in committee of supply, Mr. Rinfret in the chair.

DEPARTMENT OF TRANSPORT

1. Departmental administration, $4,862,900.

The Deputy Chairman: Shall vote No. 1 carry?

Mr. Starr: Mr. Chairman, in the discussions which have taken place on the first item of the estimates of the Department of Transport many members who represent western ridings have put before the minister what I think are very legitimate complaints in connection with the shortage of box cars at various points throughout the western provinces. So far no satisfaction has been given these members. No assurance has been given to alleviate the anxiety in the minds of the farmers who have not had the same opportunity to ship their grain as others owing to the lack of box cars at certain points.

[Mr. Nicholson.]

I think that before we proceed to pass the first item it would be advisable if the minister would now give the committee a clear and concise statement as to what he intends to do to alleviate the situation, not in the future but immediately.

The Deputy Chairman: Order. I am having a little difficulty in hearing the hon. member. Would hon. members please refrain from holding conversations which are too loud so that we can listen to the hon. member for Ontario. Conversations carried on in an undertone will be permitted.

Mr. Starr: I ask that something be done not in the future but immediately so that the fears in the minds of hon. members as well as those they represent may be allayed. I invite the minister now to give a firm commitment that he will take some action with regard to this serious situation which will be satisfactory.

Mr. Pickersgill: Mr. Chairman, I am sure the hon. member will not object if I draw attention to the fact that he has asked me to speak on this occasion.

Mr. Crouse: Briefly.

Mr. Starr: Mr. Chairman, on a point of order, maybe I went too far. If that is the conclusion which he drew from my remarks, may I say it was not intended that the minister should now make his 38th speech. What we want is a clearcut and concise statement.

Mr. Pickersgill: Mr. Chairman, "a rose by any other name". I hope the Minister of Finance will listen very carefully to what I am going to say because I am going to try to give my understanding of the position which was taken by the Wheat Board at the beginning of the crop year with respect to the movement of grain.

My understanding was that in order to make sure that we took the fullest possible advantage of the St. Lawrence Seaway and the lakes while they were open to navigation the Wheat Board itself agreed that rather than try to keep the quotas balanced among various points in western Canada, it would move wheat of the grade and dryness required from places where it could be got most readily so as to make sure that the maximum amount of wheat went down through the lakes during that period of time.

• (3:30 p.m.)

I also understand that more recently, in order to try to speed up the movement through Vancouver, the same kind of consideration has to some degree prevailed. As I understand it, now that the movement to Vancouver has over the last week or two been pretty well up to the capacity of the port to handle such movement, every effort is being made and the railways are being urged by the Wheat Board and by the government to do everything they can consistent with moving the grain. I think we will all agree that that is the most important thing of all. Consistent with that aim, every possible effort is being made to put the cars where they are needed to raise the quotas at the points where the quotas are low. As I understand it, that at any rate is what the wheat board and the government want done, as long as it does not interfere with the over-all movement of grain to meet the contracts, which I am sure all farmers would agree should be the first of all objectives. If I have not stated the position correctly perhaps the committee would allow the Minister of Finance, who really understands this better than I, do to supplement what I have said.

Because a number of hon. members suggested that one of the difficulties and one of the reasons for the shortage of box cars was the number of Canadian box cars in the United States, I think I should put on the record a table showing the actual position which could perhaps conveniently be printed in *Hansard*. This table is from the Railway Association of Canada and shows from January 1, 1962 until January 1, 1966 the number of Canadian box cars on U.S. lines at the beginning of each quarter. I think it would be helpful information for hon. members to have. For example, I can say that on January 1, 1962 there were 16,000 box cars and on January 1, 1966 there were 18,600 involved. It is the opinion of those I have consulted about this matter that though this is 2,500 cars more or a little better in 1966 than in 1962, it about reflects the growth in our exports and does not indicate any inordinate rise in the number of Canadian cars in the United States. I am told that because the rolling stock on our railways is perhaps a little more modern than that employed on a good many United States railways, the United States Railways, try to keep Canadian cars whenever they can. However, the Canadian railways are doing their best to get them back. They are being urged by the government to get them back as quickly as possible.

The Deputy Chairman: Do the members of the committee consent to this document being tabled by the hon. minister and being printed as part of his speech in *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: The table referred to above is as follows:*]

Summary of Box Car Location*

Date	Canadian Box Cars on American Lines	American Box Cars on Canadian Lines
Jan. 1, '66	18,666	7069
Dec. 1, '65	21,031	7591
Nov. 1, '65	20,548	7537
Oct. 1, '65	17,351	6281
Sept. 1, '65	18,828	5658
July 1, '65	16,701	5468
Apr. 1, '65	19,729	6552
Jan. 1, '65	16,861	7316
Oct. 1, '64	17,375	5686
July, 1, '64	15,540	6030
Apr. 1, '64	15,999	6684
Jan. 1, '64	16,157	5808
Oct. 1, '63	16,652	5130
July 1, '63	17,486	4857
Apr. 1, '63	19,289	4851
Jan. 1, '63	15,702	4579
Oct. 1, '62	18,614	5010
July 1, '62	14,861	8611
Apr. 1, '62	16,438	5720
Jan. 1, '62	16,091	5226

*Data refers to reports from eight major Canadian railways. Source: The Railway Association of Canada.

Mr. Douglas: Mr. Chairman, the minister has told us that the government is doing its best to equalize the quotas and get the wheat moved to the terminals. The minister has not referred to the appalling shortage of box cars during the past four or five months when they were so badly needed. The question I asked the other day, which was answered in the house on February 2, gives information as to the targets set by the Wheat Board and the box cars that were available in the period from August 1 to January 20.

We find that the Canadian Wheat Board target during that period for the Canadian Pacific was 33,706 box cars. The number loaded was only 25,218. That represents a shortage of 8,488 in the period from August 1 to January 20.

For Canadian National Railways the target set by the Wheat Board was 28,987 box cars and the number of cars loaded in this period was only 22,284, which means that Canadian National Railways were short by 6,703 box cars. This makes a total target of 62,693 box cars of which only 47,502 were loaded. This

means that the spread between the targets set by the Wheat Board and the number of box cars loaded was 15,191 or a very substantial gap of 30 per cent. Mr. Chairman, that is a very serious gap indeed. I think that the Minister of Transport has some responsibility to tell the members of the committee and particularly to tell the farmers of the prairie provinces why there was this most appalling shortage. The Wheat Board either set a target which was unrealistic when they set a target of 62,693 box cars or the railways were negligent and derelict in the discharge of their duties when they were able to load only 47,502 cars out of the 62,693 target that had been set by the Wheat Board. Certainly something is wrong. I could give the minister more information if he wants it as to the volume of wheat loaded, the volume of wheat shipped and the amount of wheat in transit. It all shows that we are far behind the targets which have been set.

I hope that the minister can give some explanation to the committee. It is not good enough to tell members of the committee now that the government is going to do its best and that the railways are doing everything they can do to cope with the situation. The bald fact is that the number of box cars loaded was about 30 per cent short of the target set. I think some explanation is due to the committee why there was this serious discrepancy.

Mr. Pickersgill: Mr. Chairman, perhaps the hon. member for Burnaby-Coquitlam would allow the Minister of Finance to speak about this matter since the arrangements were made by the Wheat Board with him in his former ministerial capacity. Perhaps my hon. friend would let the Minister of Finance deal with the question rather than my doing so. I am sure that the Minister of Finance is much better informed than I am on this matter.

Mr. Douglas: I should be very happy if the Minister of Finance would reply.

Mr. Olson: Mr. Chairman, may I ask the Minister of Finance to tell the members of this committee what is being done by the government to urge the Canadian Pacific to equalize these quotas? We accept the position which was taken by the Wheat Board and by the government that the railways should move as much grain as possible into an export position before the navigation season closed on the Great Lakes. The Minister of Finance well knows that the Canadian Wheat Board does not have any authority under Canadian law to direct the railways to place cars at any particular shipping point. The Wheat Board has some authority respecting the distribution of cars to the various elevators at a shipping point but it does not have any authority to direct the railways to place X number of cars at this or that point or for that matter at any shipping point. Some areas, particularly in southern Alberta, have the lowest quotas of any part of Canada. Yet southern Alberta must be one of the closest areas to Vancouver and therefore the movement should have increased more rapidly than in any other part of Canada since navigation closed on the Great Lakes. However, we find that most of the very low delivery quotas at shipping points are still in southern Alberta.

I should like to ask the Minister of Finance if any action is being taken by the government directly through his office or through the office of the Minister of Transport or through the Board of Transport Commissioners, who have some authority in this respect, to equalize the quotas. I realize that now there is no real urgency for getting more grain into lakehead position.

Mr. Horner (Acadia): Mr. Chairman, before the minister replies to the questions asked of him may I say a word about what has been raised. We are anxious about the box car question. I accept the statement of the Minister of Transport with regard to the Wheat Board and I am sure that most farmers accept it too. The farmers well know and understand the Wheat Board's difficulties in trying to meet shipping orders last fall. However, during December, 1965, and January, 1966, we have seen a continuous deterioration of shipments at prairie points.

• (3:40 p.m.)

It is all very well to say that the Wheat Board is trying to equalize quotas now and is doing everything it can. We want to know what the government is doing to urge and encourage the C.P.R. to meet its commitments to the people. As the hon. member for Burnaby-Coquitlam has pointed out, the railroads are far behind in the job and grain movement generally has been slow. The Minister of Finance said the other day that grain has not been moving slowly in western Canada. This is not a fact. It has been moving very slowly, particularly from C.P.R. points. The Wheat Board cannot equalize quotas today without the full co-operation of the C.P.R. I ask the

minister whether the government has obtained a commitment from the C.P.R. that it will make every effort from now on to help the Wheat Board to equalize these quotas and move grain more rapidly.

Mr. Watson (Assiniboia): There is one point which I should like the minister to clarify. He mentioned there were 1,600 box cars in the United States in 1962.

Mr. Pickersgill: Sixteen thousand.

Mr. Watson (Assiniboia): Pardon me, sixteen thousand. He also said there were 18,000 in 1966.

Mr. Pickersgill: It was 18,600, I think.

Mr. Watson (Assiniboia): Then the hon. gentleman said this increase was in about the same proportion as the increase in our exports to the United States. Can the minister tell us whether the railway companies have increased their rolling stock in Canada in the same proportion in the last four years?

Mr. Pickersgill: I doubt it. I think that is one of the difficulties. I think they should have been increasing their rolling stock more rapidly.

Mr. Sharp: I listened very carefully to my colleague, the Minister of Transport, explaining the situation with respect to the movement of grain in western Canada and I have no suggestions to make to him. I agree entirely with what he said. I should, however, like to supplement his observations by answering some of the specific questions which were put to me and to my colleague about the current movement of grain and its relation to the targets to which the hon. member for Burnaby-Coquitlam referred, targets which had been mentioned by either the Minister of Transport or myself in a reply to a written question. These targets were fixed by the Wheat Board, not in agreement with the railways—

Mr. Douglas: In consultation with them?

Mr. Sharp: No. The railways were aware of them but they did not agree to them. The commitment which the railways made was a general commitment made at the time the government and the Wheat Board were negotiating with the Soviet Union for the very large contract entered into last fall. At that time we had to estimate how much grain we could undertake to deliver to the Soviet Union within this crop year. Needless to say, the main factor involved apart from the size of the crop was the transport facilities available. So we called Canadian National Railways and the Canadian Pacific Railway into consultation—

Mr. Diefenbaker: On what date was that?

Mr. Sharp: It was given in the house some time ago. It was in September of 1965. No, I am sorry, it was in August, 1965. We said to the railway companies: The Soviet Union would like to enter into a contract for the delivery of five million tons of wheat and wheat flour during this crop year. Do you think we would be safe in accepting a contract of this magnitude? Do we have the transportation facilities available?

It will be recalled that in the crop year 1963-64 the railways had moved a total quantity of 595 million bushels of wheat and wheat flour. We had concluded that if we were to fulfil the contract which the Russians were offering to enter into with us and fulfil the other contracts we had on the books or those which were in contemplation from our regular customers, we should need to move some 600 million bushels, approximately the same amount as in 1963-64. The railways replied that they thought they could move this quantity of grain provided there was a good break in the weather and that there was a rapid unloading of cars so that they could be used for further movement. The railways also pointed out to us that the problem this year would be much more difficult than it had been in the crop year 1963-64 because in 1963, when we entered into the first big contract with Russia, Canada was not as prosperous as it was in the fall of 1965. They said they had an arithmetical measurement of the change which had taken place during the interval and that loadings of commodities other than wheat had increased by ten per cent.

In the light of all these factors the railways said: We are prepared to accept this undertaking to move our respective shares of this 600 million bushel quantity. But make no mistake about it, this will be an extremely difficult job. It will mean we shall have to move grain from the prairies from the closest points grain which is ready for shipment and for which there is an immediate market. We cannot be held down by a requirement to equalize quotas throughout the area. This will be a monumental task; we advise you to accept the contract. We will do our part.

That is the extent of the undertaking given by the railway companies. I think it is fair to

say, and the Minister of Transport agrees, that the railways still believe they will be able to fulfil their undertaking. Indeed, I was gratified to note that by February 2 exports of wheat alone had amounted to 302 million bushels. There may have been one occasion in 1963-64 when we exported as much wheat in a comparable period but the figure I have given can only have been exceeded once. So as far as exports are concerned, a tremendous effort has been made. Extremely large quantities of wheat have been moved out of Canada to fulfil the contracts into which we have entered.

On the prairies there has been great inequality of quotas. I warned the house that this would be the case. The Wheat Board warned the farmers that this would be so. Had it not been for this great inequality of quotas we would not be as far ahead as we are today in the movement of grain. It would have been impossible to have done as much as has been done had there been the customary adherence to equalization.

Mr. McIntosh: Explain.

Mr. Sharp: I say this particularly to the hon. member for Medicine Hat. I do not need to urge or advise the Wheat Board to try to equalize quotas before the end of the year. The board considers this as part of its general mandate. It is very much in the board's own interest that there should be as great an equality as possible. After all, the board markets wheat on behalf of the farmers. This is its sole responsibility.

• (3:50 p.m.)

The hon. member for Swift Current-Maple Creek accused me the other day of having directed the Wheat Board to fix the quotas to the advantage of a prospective member of the house who did not win a seat. I denied this and I deny it now. Never at any time did I ever direct the Wheat Board as to the level of quotas at any point and I never intend to. I hope the hon. gentleman will apologize for attacking the Wheat Board and casting a reflection on their integrity.

Mr. McIntosh: First of all, Mr. Chairman, I am not apologizing either to the Wheat Board or to the minister for sticking up for the farmers I represent. The minister said a few moments ago that he did not direct the Wheat Board in regard to where these quotas should be open. May I tell him that I happen to know that at one point in the constituency of Assiniboia prior to the election of November 8—he can check this instance but it is generally true all over the constituency—one elevator shipped 104 cars to June 23, 1964, and 103 cars in the new crop year up to December 18, 1965, which was only one car less in the first five months of the new crop year than in all of the previous year.

Also, from September 8, the date of the writ, to November 8 the farmers in that constituency were given an extra three bushels on their quotas, which brought them up to 4 or 5 bushels, while farmers in the rest of the province of Saskatchewan had only 1 or 2 bushel quotas. Can the minister explain that?

Mr. Sharp: I certainly cannot explain it because this is the first time I have heard these facts.

Mr. McIntosh: But you are the minister. You know them now.

Mr. Sharp: The best evidence I can provide the committee is that I did not know this was the situation. The hon. gentleman seems to know far more about it than I do, but I deny that at any time I ever directed the Wheat Board as to what the level of quotas should be at any point. Furthermore, I do not know why the hon. member does not accept the denial of the Chairman of the Wheat Board who said he has never accepted such advice from me or any of my predecessors, including the minister of agriculture in the government which the hon. member supported.

Mr. McIntosh: I will accept the minister's denial but it is very coincidental. All we want is an explanation.

Mr. Diefenbaker: Is that where Argue lives?

Mr. Sharp: Mr. Chairman, I can ask the Wheat Board why they fixed these quotas but it had nothing to do with the election that took place on November 8. I can assure the hon. member of that. May I conclude these remarks? I am sorry I strayed into the territory of the hon. member for Swift Current-Maple Creek.

Mr. Horner (Acadia): Would the minister permit another question? In the light of this agreement and in the light of the difficulty last fall in grain movement generally, after the 1964-65 wheat pool is closed will the minister see to it that the annual report of the Wheat Board is submitted to the agricultural committee, as it used to be in the past?

Mr. Sharp: Yes, I will be very happy to see that the report is preferred to the agricultural committee. I know that when the chairman of

the board comes here he will deny the allegation of the hon. member for Swift Current-Maple Creek.

Mr. McIntosh: He can deny it but I want an explanation.

Mr. Sharp: He will deny it. He has publicly denied it, and if he did not deny it I would demand that he would deny it—

Some hon. Members: Oh, oh.

Mr. Sharp: —because I have never at any time given any—

Mr. Horner (Acadia): What the hon. member for Swift Current-Maple Creek wants is an explanation. This is all he said. If the Wheat Board officials appear before the agricultural committee that explanation can be given. This is all we are seeking.

Mr. Sharp: This is not what the hon. gentleman said. He accused me of having directed the Wheat Board to increase the quotas in Assiniboia to help Mr. Argue win the election. I deny that and so does the chairman of the Wheat Board.

Mr. McIntosh: I said it appeared to me. I did not accuse you. You are the one accusing yourself. You said you would demand that the Wheat Board deny this. You are going to make one demand. Surely you can make two.

Mr. Sharp: The only demand I will make on the Wheat Board is the one that parliament has laid upon them, to handle Canadian grain in the best interests of the western farmers and of farmers in all parts of this country. That is the responsibility that parliament has laid upon them, not I. I have no authority to direct them to do anything else. May I just conclude these remarks—

The Deputy Chairman: The hon. member for Rosthern wishes to ask a question.

Mr. Sharp: I would like to finish my comments and then I would be very happy to answer any further questions.

As to the future and whether these quotas can be equalized I want to be perfectly frank and forthright with the committee. If in the judgment of the Wheat Board itself it is necessary that there should be some disparity in the level of quotas by the end of this year in order to move to market the maximum quantities of grain that can be moved, I hope that all hon. members will support the Wheat Board in their endeavours to sell as much Canadian grain as possible. I hope they will never be criticized for their endeavours to find markets for our grain. The Wheat Board must be given some opportunity to exercise their judgment in these matters and I hope their efforts will be supported by all parties.

Mr. Nasserden: The question I should like to ask the minister is, why did the government and he as the minister in charge of the Canadian Wheat Board delay meeting the railways from August 13 until September 25 in regard to this important matter? The Canadian Wheat Board met the railways on August 13, I believe, and it was 42, 43 or 45 days later that the minister and the Minister of Transport met the railways in Winnipeg as a follow-up to that.

Mr. Sharp: Mr. Chairman, we met with the railway companies before we signed the contract with the Russians, at which time the railways undertook to move the quantities of grain we felt were necessary to fulfil the contract. The Minister of Transport and I met the railway companies in Winnipeg on September 25 and as a result of that meeting I think there was a considerable improvement in the movement of grain to Fort William.

The Deputy Chairman: Does the hon. member for Burnaby-Coquitlam want to ask a question?

Mr. Douglas: I do not want to ask a question. I want to make some comments.

Mr. Pickersgill: I believe the Minister of Finance has to go somewhere else, so if there was anyone who wanted to direct a specific question to him that I might not be able to answer perhaps there could be agreement to do that.

Mr. Horner (Acadia): I have a specific question.

Mr. Douglas: The remarks I wish to make I want to direct to the Minister of Finance and if he has to leave I should like to do so at this time. I should like to deal with two matters briefly.

The Deputy Chairman: Order, please. We are at a period when questions are being asked of the Minister of Finance. The hon. member for Acadia wishes to ask a question and I would recognize him now.

Mr. Horner (Acadia): Thank you, Mr. Chairman. It will just take a minute.

Mr. Douglas: I want to ask the minister a question. I should like—

The Deputy Chairman: Order. I recognize the hon. member for Acadia before the hon. member for Burnaby-Coquitlam.

Mr. Horner (Acadia): My question, Mr. Chairman, is with regard to the statement originally made by the Minister of Transport and enlarged on by the Minister of Finance with respect to the equalizing of quotas. Has the government now got a commitment from the C.P.R. that every effort will be made by it to catch up with the C.N.R. with regard to the delivery points that are on C.P.R. lines? In other words, have they now reached an understanding with the C.P.R. and is the railway prepared to work for the general good of Canada and western Canada particularly?

Mr. Sharp: Mr. Chairman, from the outset the C.N.R. and the C.P.R. gave the same undertaking to move the quantities of grain we had undertaken to deliver to our foreign customers. That was the nature of their undertaking and in pursuance of that undertaking the C.P.R. has responsibility mainly at points on their lines. On several occasions we have drawn to their attention not only that it has a responsibility to keep pace with the movement of grain from C.N.R. points but that in fact, and this is an important point, a higher proportion of the remaining deliverable grain is on C.P.R. lines rather than on C.N.R. lines. I can assure the hon. member we have made these representations very strongly to the C.P.R. and we are hopeful—

Mr. Horner (Acadia): What has been their reply?

Mr. Sharp: They have said they understand the situation and will do their utmost to meet their commitments.

• (4:00 p.m.)

Mr. Douglas: There are two points about which I want to ask the minister. The first has to do with his statement that the targets which were set by the Canadian Wheat Board were not set in consultation with the railways and that the railways did not agree to them. It seems to me a most alarming statement to come from the minister that the two ministers concerned, the Minister of Finance and the Minister of Transport, who knew that a very large volume of wheat had to be moved, would have consultations with the railroads and the Wheat Board, which knew how the wheat could best be moved, and would set a target to which apparently the railroads did not accede. I should like to ask the minister whether any steps were taken to persuade the railways that the movement of this wheat was of vital importance to the Canadian economy or whether the railways were apparently allowed to do whatever they chose in meeting only 75 per cent of the target. That is all they met between August 1 and January 20. Of 62,000 cars they loaded 47,000 cars. That is only 75 per cent of the target, which is not very good. I am surprised that this matter should have been handled in such a lackadaisical manner. I would have thought that if the Wheat Board had set targets which it considered to be realistic and obtainable, it would have been the responsibility of the government to see that the railroads came reasonably close to those targets.

I want to point out that the effect of this on Saskatchewan loadings, irrespective of what the Wheat Board and the minister say will be moved, is that in the crop year 1963-64 from August 1 to January 26, 176 million bushels were sold at the elevator and for the present crop year from August 1 to January 26 only 153 million bushels have been sold. Comparing that with the crop year of two years ago, elevator loadings are down 23 million bushels. We are not doing as well as we did two years ago. It seems to me that there has been a complete breakdown in communications at some point and that the government has not been able to get the railways seized of the necessity of meeting the targets set by the Wheat Board. Assuming that the targets set by the Wheat Board were realistic and reasonable, and I think they were, I am at a loss to understand why the government should have been so willy-nilly in allowing the railroads to fall 15,000 box cars short of the objective.

I notice that in Saskatchewan on January 29, 1964 there were 21 million bushels of wheat in transit whereas on January 26, 1966 there were only 9 million bushels. That represents a very serious difference.

The other matter I wish to refer to is the inequity of quotas. Saskatchewan has been particularly hard hit by this inequity.

Mr. Gundlock: Alberta has been hard hit as well.

Mr. Douglas: Alberta has also been hard hit but in Saskatchewan there are 257 points which have only a one, two or three bushel quota. There are 240 more points which have a one, two or three bushel quota than last year. There are more delivery points this year with a four bushel quota but there are 100 fewer with a five bushel quota. There are 350 fewer points with a six bushel quota.

I am disturbed by the statement just made by the minister to the effect that this inequity may continue throughout the crop year. I

wrote down what the minister said and it was to the effect that if necessary there may have to be some areas of disparity in respect of quotas if we are to move the maximum amount of wheat to market.

Mr. Horner (Acadia): He has just left the door open in case of mistakes.

Mr. Douglas: The minister hopes the house and the farmers will support the Wheat Board in using every possible method to get the wheat to market. I understand that both the minister and the Wheat Board desire to get the wheat to market. That is certainly necessary. But I want to ask the minister this question. If at the end of the crop year there is a great disparity between some shipping points and others, because of the Wheat Board's desire to get wheat shipped, do the Wheat Board and the minister propose to do something for the farmers at points where the quotas are low?

It will not be of much consolation to the farmers with low quotas to know that we have shipped 600 million bushels and it will not be of much consolation to them to know that their neighbours 50 miles away have shipped on an eight bushel quota when they are still on a three or four bushel quota. Is there going to be some carryover or some equalization? What does the Wheat Board propose to do if at the end of the crop year this disparity between different shipping points reaches the point where some farmers are going to suffer hardship in order that other farmers can sell a larger amount of grain? The whole principle of the Wheat Board has been equalization. Is there going to be any type of equalization in the matter of shipment? I am sure the minister readily appreciates the fact that if the quotas at the end of the crop year at some points on the prairies are extremely low the farmers there will feel aggrieved. No matter how often the Wheat Board argues that it was necessary to favour some districts over others in order to ship wheat, this is not going to put money in the pockets of the farmers who have not been able to deliver their wheat and will not be able to deliver it after the crop year closes.

In view of the minister's statement today I am afraid there will be some alarm in western Canada. I hope the minister will give some assurance to this committee that he and the Wheat Board will apply themselves to this problem in an effort to work out some method of compensating farmers who are in areas where the quota is low at the end of the crop year.

Mr. Nasserden: Mr. Chairman, a few moments ago the minister said that following the meeting in Winnipeg on September 25 everything improved. Did I understand him correctly in that regard?

Mr. Sharp: Yes, after the meeting, the situation improved at Fort William.

Mr. Nasserden: Why then did the Wheat Board find it necessary on November 10 to complain about deliveries from C.P.R. points?

Mr. Olson: Mr. Chairman, before the minister replies I should like to ask another question for clarification. I think he misunderstood what I asked him a few moments ago. I certainly do not wish the minister to exercise any undue influence on the operations of the Canadian Wheat Board involving the equalization of quotas. I agree completely that the Wheat Board is anxious, as it has shown in the past, to equalize the quotas in so far as that is possible, taking into account the kind of grain that is available and the immediate market for that grain. However, I should like the minister to take into consideration the fact that there have been shipping orders placed by the Canadian Wheat Board at a number of shipping points at which there are low quotas but the railways, particularly the C.P.R., have not provided box cars for 60 to 90 days. It is my information that while the Canadian Wheat Board can place shipping orders it has no authority whatever to require the C.P.R. or any other railway to place box cars at those shipping points.

I am sure that the wishes and efforts of the Canadian Wheat Board to do something about equalization have been genuine and sincere but it has not had the kind of co-operation it needs from the railroads in order to achieve this. It seems to me that if the C.P.R. is going to continue week after week and month after month leaving certain shipping points far below others in respect of box car supply when there is no apparent reason why it should, then no matter how sincere the intent and desire of the Canadian Wheat Board are to equalize these quotas it is going to be completely frustrated by the activities of the railway companies.

• (4:10 p.m.)

I should like to ask the minister this question again and I hope he completely understands its intent. Is there something that the government can do either in consultation with the C.P.R. or in some other way to encourage them and demand, if that is possible, that the railways do in fact set off cars at

the shipping points where the Canadian Wheat Board has placed shipping orders? I know that several point in southern Alberta have had shipping orders from the Canadian Wheat Board for more than two months and have not been able to get the C.P.R. dispatchers or whoever directs them to place cars there so they may comply with what appears to be the desire of the Wheat Board to ship grain from these points.

The minister knows very well that the Wheat Board raises the quota in direct relation to the space that is available at any shipping point. As a matter of fact, they wait until there is space. But the only way you get space is if you have cars to move the grain and make space available. Therefore I do not think the failure in attempting to equalize these quotas rests either on the minister or the Canadian Wheat Board. I think it lies with Canadian Pacific Railway in the area I am talking about. I wonder whether the minister could give us some indication that the government is going to take an active interest in seeing that these very low shipping points will receive additional consideration from the C.P.R. and will receive it soon.

Mr. Diefenbaker: Mr. Chairman, there is just one matter I should like to bring before the committee. It is generally agreed there is a flagrant disregard of the rights of producers in being denied the opportunity to sell and market their wheat. This delay continued for several months. Apparently the situation is improving and it has improved following the widespread criticism advanced by members in this house who from personal experience are acquainted with and know exactly what has taken place in western Canada. If this debate has done nothing else, it has enabled the people of western Canada and Canadians as a whole to know something of this problem and of the injustice that has been done.

I do not often speak of my own area but the quotas there were very low, almost infinitesimal, until quite recently. In that part of Saskatchewan we are close to the Hudson Bay route which has not been used as it should have been. It should have been used to a far greater extent. That fact has been argued over and over again by various members, including particularly the hon. member for Churchill.

All of us want to see action. When the Minister of Agriculture went west he went, he saw and he returned and condemned the failure of one or the other railway company because of inaction, because of their failure to act reasonably and responsibly. I endeavoured to make a suggestion in September or early October, I think it was. It was one that I felt was constructive and will have to be followed sooner or later by this government.

The hon. member for Burnaby-Coquitlam has placed the distressing news before this committee that, bad as things have been, the expectation for the future does not hold out very sanguine hopes for those who have wheat to market. Indeed, there has been no suggestion that when the new crop year comes along farmers who have suffered by having low quotas are going to be preferred and will receive an increase in quotas. Apparently they are just going to be left out.

I asked the question and I am repeating it now: What are the reasons for not appointing a traffic controller?

Mr. Pickersgill: I can answer that question.

Mr. Diefenbaker: Mr. Chairman, if the minister would just—

Mr. Pickersgill: The right hon. gentleman asked a question and I want to answer it.

Mr. Diefenbaker: A moment ago I thought the minister did not possess the ability to answer but on this subject he is just like a jack-in-a-box. I ask a question and up he jumps with the answer.

Mr. Pickersgill: Well, he is back in the box.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I had not thought of the appropriate box, Mr. Chairman, but the minister has actually applied to himself something that I did not have in mind at all. He just bounced up. The appointment of a traffic controller was something we did during our period in office and it got results.

Mr. Sharp: You never did.

Mr. Diefenbaker: Now we have agreement between at least two ministers. The Minister of Finance has said it did not get results. Well, the western farmers said it did; that is all I have to say.

Some hon. Members: Hear, hear.

Mr. Sharp: You had no authority.

Mr. Diefenbaker: I beg your pardon?

Mr. Sharp: You had no authority.

Mr. Diefenbaker: It is a very strange thing, Mr. Chairman, that this suggestion should receive such an instantaneous reaction from

both ministers. It must be that they have in their hearts the thought that if they had done so things would have been better, but the fact that the suggestion came from someone in the opposition may have led them to believe that its acceptance would not have been politically appropriate. I should like to hear the answer to my question.

Mr. Pickersgill: I should like to give it to you.

Mr. Diefenbaker: I shall wait with expectation, Mr. Chairman, and I am glad that on this subject we are going to receive a clear and definite answer. My question is: Why was the appointment not made? Why even at this stage has action not been taken? Certainly there is no liaison in this respect. Forty five days elapsed between the time the Russian contract was under way and a meeting of ministers took place. What were they doing during that time? Certainly the former minister of trade and commerce was making forays into the west. They were not too successful, as it turned out, but he made forays out there. The farmers were led to believe that all was going to be well. Over and over again in the months of September and October the answer was, "Things are going to be well". They did not. The Minister of Agriculture went out west and he had eyes that saw what his fellow ministers could not see.

Mr. Horner (Acadia): And what the Minister of Finance will never see.

Mr. Diefenbaker: His criticism exactly duplicated what we had said over and over again. I must say that the next time he comes out there he will be welcomed. I think a trip out there at this time would be beneficial, the minister could once more apply something of his new, fresh attitude to meeting this problem so that our farmers in so many areas will not find themselves discriminated against whether intentionally or not.

Mr. Pickersgill: Mr. Chairman, I should like to reply to the one specific point raised by the right hon. gentleman. Whether it would be wise to appoint a controller is a separate question. However, the government of the right hon. gentleman allowed the legislation to expire which authorizes the government to appoint such a controller and the government therefore had no power under the laws of Canada to make such an appointment. That is why the matter could not be considered unless the law was changed.

• (4:20 p.m.)

Mr. Diefenbaker: Isn't that interesting? They rushed into an election when they should have been bringing legislation before the house to meet this problem. Here we were in the month of July or August when it first became known that there was not available the necessary motive power and instead of calling parliament to meet this serious situation they rushed into an election in order to get a majority. I thank my hon. friend.

Mr. Pickersgill: The right hon. gentleman certainly shifted gears fast.

Mr. Diefenbaker: I thank my hon. friend for again rising to the bait.

Mr. Howard: I do not want to interrupt the discussion of this vitally important matter. I wanted to get the floor on another matter entirely but I will gladly desist if there are others who want to discuss the question of box cars and grain shipment.

The Chairman: Is the hon. member for Swift Current-Maple Creek rising to discuss the same topic?

Mr. McIntosh: Yes, Mr. Chairman. I think that as a result of the discussion this afternoon a lot of confusion has been created with regard to the responsibility of the Wheat Board and its relationship to the producers. I suggest that the minister's remarks have added to the confusion. He said he gave no orders to the Wheat Board and a few minutes later he said he would demand that the chairman of the Wheat Board do such and such. I then stated that if he could demand once he could demand a second time. I want to make sure that is on the record because it indicates to me and the people I represent how some things have happened.

I should like to say also that the dispute arose between the minister and me because of a statement I made. I said that the reason the Wheat Board is now in the hands of the Minister of Finance is political expediency by the Liberal Party. I have information to back that up and I cited some of it a few minutes ago. I referred to what happened in the constituency of Assiniboia which is adjacent to mine. I could not answer the questions of my farmers until I found out what had happened in Assiniboia.

It is clear to me what happened. Somebody gave somebody orders because the Liberals wanted to win this one constituency on the prairies. This constituency was given special consideration. I ask the minister to explain to

the house why responsibility for the Wheat Board has not been left with the department which is supposed to have it?

Mr. Pickersgill: Now, Mr. Chairman—

Mr. McIntosh: Just a minute—

Mr. Pickersgill: I am rising on a point of order. I have no objection to a discussion which will throw any light on the grave problem of getting the wheat moved by the railways. I thought the Minister of Finance was able to answer some of these questions better than I was so I was happy to have him do it. I think we are going beyond that situation when the hon. member talks about which minister should be responsible for the Wheat Board. This is not a matter that can be settled by me. It is not a matter that can be settled by my hon. friend, the Minister of Finance. This is a matter for the Prime Minister. If the hon. gentleman would wait until the Prime Minister's estimates are before us and put the question to the person who can answer it in the house, I think that would be the time to do it.

Mr. McIntosh: I suggest that is not a point of order at all. The point I am trying to raise is the basis of the whole argument. We have a Minister of Agriculture who has not said a word on this issue. We should have the Minister of Trade and Commerce here but he is not here. We have the Minister of Finance who is supposed to be speaking in this house for the Wheat Board. We have the Minister of Transport who gets up and says that he has nothing to do with it. The whole question of moving our grain certainly must be a problem that concerns the minister's department. If the question our leader asked a few minutes ago were answered, I think that would help solve the problem.

I said there was confusion so far as the producers were concerned. There is certainly more confusion in the house now because of the way the government has handled this question. We do not even know which minister is to answer these questions. If one minister gets stuck the other minister gets up to answer. No one can be pinned down. If we cannot pin down anyone we cannot solve the problem. I should like the Minister of Finance to get up and say why the Wheat Board should be under his department.

Mr. Sharp: I have no intention of explaining this situation because I think the question is quite irrelevant. May I, as the minister responsible for the Wheat Board, deal with some of the points that were raised and particularly those raised by the Leader of the Opposition.

In the remarks I make in my previous intervention I said that a tremendous task lay ahead for the Wheat Board, the railway companies and all our handling facilities to move the largest quantity of wheat ever moved in Canadian history. I suggest to my right hon. friend that he never faced a situation like that. By comparison the achievements of his administration were miniscule.

Some hon. Members: Oh, oh.

Mr. Sharp: I think of the problem with which my right hon. friend was faced in moving grain. He was so pleased when he got exports up to 358 million bushels. In 1963-64 the Canadian Wheat Board and the Canadian railways moved into export position 595 million bushels. This year our target is 600 million bushels. If my right hon. friend thinks it is not difficult to move 595 million bushels or 600 million bushels, then I feel he does not understand the situation that faces this country in connection with the movement of grain He is thinking back to those years when he was handling such a small volume. He was so proud of handling 358 million bushels. This was the amount moved by my right hon. friend's administration, and that is all. He never faced a problem like this. He was never able to put the Wheat Board or the railway companies of this country to the test.

Moreover, one of the reasons we are faced with this problem today is that we have been remarkably successful in increasing the prosperity of this country. When I think of the situation that we met when we took office in 1963, when I think of the extent of unemployment, when I think of the low level of business, I am reminded that it was comparatively easy in that first year. In 1963-64, when we entered into these great contracts, we set our target for wheat exports at 550 million bushels, that was our first target. The railways had no difficulty in moving it because we had just come from a period of recession. This was the reason the government of my right hon. friend was thrown out of office, because of their failure to deal with the domestic problems of this country. This was the situation we faced.

Mr. Horner (Acadia): Oh, come off it.

Mr. Sharp: When we took office we did not find it so difficult. We started with a target of 550 million bushels and we actually sold 595 million bushels. My hon. friend forgets about

these things. He has a very convenient memory.

May I say he has also, as is usual on these occasions, distorted the issues in order to serve his own purposes. I have seen him do it on so many occasions. However, I thought this was a real example of the great skill of the right hon. gentleman. He stood up here and said I had suggested certain things. I can see him trying to make the headlines in western Canada by trying to create a misleading impression, with that skill which he exhibits to such an extraordinary degree in this house. He took my very simple statement, which I repeat, that if the Wheat Board in its desire to move maximum quantities of Canadian wheat into export finds at the end of the year there is still some disparity in quotas I hope it will have the understanding of the whole house. I repeat that statement.

Then, the right hon. gentleman distorts my statement and says that I predicted the situation would be worse than it is today. If that is not the greatest distortion of the very simple, and I hope sensible, statement that I made, I should like to hear a better one.

Mr. Horner (Acadia): Stick around.

• (4:30 p.m.)

Mr. Sharp: Yes, I expect I will hear it from the hon. member for Acadia. We face a tremendous task, Mr. Chairman, and I only wish that I could impress upon the members of the opposition what a tremendous task it is. In the last three years Canadian farmers have grown three of the greatest crops on record. There has never been anything like this. It is a great tribute to the people of western Canada. The Wheat Board has had the task of marketing that grain and never before have they done the job as well as they have done it in these past three years.

Mr. Horner (Acadia): You are thankful they did not follow your advice at that time.

Mr. Sharp: I only wish that I had heard more words of credit from those members who sit on the other side of the house and who represent these constituencies in western Canada. They criticize the board but they never say anything about the tremendous job that has been done by the Wheat Board on behalf of western farmers. I think the Wheat Board has been doing a magnificent job this year.

Mr. Horner (Acadia): Hear, hear. We agree.

Mr. Nasserden: Mr. Chairman, I should like to rise on a question of privilege, if the other hon. gentleman will take his seat. My question of privilege is that the distinguished minister has just stated that we have continually attacked the Canadian Wheat Board. I have never heard any attack against the Canadian Wheat Board from this side of the house.

Mr. Sharp: The hon. member heard one from the hon. member for Swift Current-Maple Creek this afternoon.

Mr. Nasserden: What the hon. member for Swift Current-Maple Creek was doing today was attacking the minister who has abused the power given him by the parliament of this nation.

Mr. Sharp: Well, Mr. Chairman, this is a side issue. I hope that my hon. friend from Swift Current-Maple Creek will have the decency to apologize to the chairman of the Wheat Board for suggesting that he would accept any advice from me on the question.

The Chairman: Order. I think it might be as well if the committee would listen to the minister so that we could get along with vote No. 1.

Mr. McIntosh: Mr. Chairman, since the minister has brought my name into the debate perhaps I might say that I said nothing against the Wheat Board.

Mr. Sharp: Well—

Mr. McIntosh: Just a moment. I objected to the minister's interfering with the Wheat Board, which I think is what has happened. Will the minister answer my question and explain why he is handling the responsibility for the Wheat Board for the government rather than the Minister of Trade and Commerce or the Minister of Agriculture? Perhaps some of this confusion will then be cleared up.

Mr. Sharp: Mr. Chairman, there is a very simple answer to that question and it is this. I was asked by the Prime Minister to continue my responsibility for the Canadian Wheat Board. It may be that some other minister would handle it better but that is not for me to judge.

May I now refer to a question which was asked by the hon. member for Burnaby-Coquitlam. I do not think it is possible to answer a hypothetical question of this kind. I can assure the hon. gentleman that the Wheat

Board will do everything they can to equalize quotas by the end of this crop season. Whether they will succeed only time will tell. Certainly this will be their endeavour. I would point out to him that even in the best of circumstances, even when demand for grain was as low as it was when my right hon. friend was in office, quotas are sometimes not equalized by the end of the year. You cannot get perfect equalization of quotas. I do not think it will be possible at this time to deal with a hypothetical question as to what would happen if there were serious disparities. I hope there will not be.

Mr. Diefenbaker: Mr. Chairman, I see that the Minister of Finance is smiling following his remarks. I am going to review those remarks. He spoke of distortions. No one ever spoke with the same authority as he in that regard. Let me point out that before we came into office and while the hon. gentleman had been deputy minister of trade and commerce wheat had piled up unsold. The attitude of the government was: If the people of the world want to buy Canadian wheat, let them come and get it. That was their philosophy.

Mr. Horner (Acadia): Nine hundred million bushels were piled up.

Mr. Diefenbaker: That is the first thing. He was then deputy minister of trade and commerce and was no doubt carrying out the policy of the government of that day which was that wheat would find its own market. That is what happened. The minister went on to talk about the amount of sales during the period when I was prime minister. We brought about a sale with Communist China.

Mr. Pascoe: They called it treason.

Mr. Diefenbaker: What did the Liberal party do at that time? They ridiculed and condemned it. The present Prime Minister said it was ridiculous. Future Senator Argue said, speaking from this side of the house—

Mr. Pickersgill: Mr. Chairman, the right hon. gentleman is about to say what Mr. Argue said. My recollection is that at that time Mr. Argue was leading another party. I should like the right hon. gentleman to show me where the Prime Minister said that this was ridiculous. The Liberal party supported that transaction.

Mr. Diefenbaker: Mr. Chairman, I would repeat what I said. So far as Mr. Argue is concerned, he went through a period of conversion. He has now entered the promised land and hopes shortly to go to that place from whose bourn none returneth.

[Mr. Sharp.]

I know it is distressing to go back over these things but I have been asked to give some information. When we made this sale the Liberal party ridiculed it. They went across the country saying it was a one-shot sale. They criticized it, as did the administration of the United States. They said it was wrong. If it had not been for the initiative of the government of the day, and in particular that of the present hon. member for Qu'Appelle, I do not know where the Canadian farmer would have ended up as the producer of wheat in this nation.

The minister spoke today as though he had authority. It was as though he was something set apart, an oracle of Delphi. He said "I am giving you the facts". But what did he tell the western farmer a year ago last fall and in the spring? He said "Don't sow any additional wheat".

Mr. Sharp: I did not. I deny that.

Mr. Diefenbaker: That is what he told them.

Mr. Sharp: I never said any such thing. I deny it.

Mr. Diefenbaker: Oh, yes. No amount of distortion on the part of the hon. gentleman can possibly remove that blot from his record.

Mr. Sharp: I denied that statement publicly.

Mr. Diefenbaker: The minister can deny it but he said it over and over again. He said to the western farmer "Don't seed anything extra; I don't know what is going to happen". On the other side of the equation was the hon. member for Qu'Appelle. He said "Sow it and we will sell it".

Mr. Horner (Acadia): Deny that.

Mr. Diefenbaker: Then in June, 1965, after all the seeding was done—

Mr. Sharp: I never said that. I never made any such statement.

Mr. Diefenbaker:—this minister spoke with the authority and knowledge of the major financial streets of our nation. He advised the farmers then that they should sow additional wheat. That was in June of 1965—

Mr. Sharp: Mr. Chairman, I rise on a point of order or on a question of privilege. When I say that I deny such a statement, is it not incumbent on the Leader of the Opposition to accept my statement?

• (4:40 p.m.)

Mr. Diefenbaker: Mr. Chairman, I heard him say it. Let that be clear. The minister advised the western farmers not to sow too much because they would not be able to sell it. He said there was a danger that markets would not be available. In the month of June, 1965, after it was too late to seed along came the advice that the farmers should seed as much as possible.

Mr. Sharp: Mr. Chairman, I did not make that statement and I think the right hon. gentleman should accept my word. I thought that that was one of the rules of this house.

Mr. Diefenbaker: Mr. Chairman, there is no rule that one must accept a statement which one knows to be untrue when it is made. The minister cannot deny the record.

Mr. Sharp: Where is it on the record? Show us the record. Produce the record.

Mr. Diefenbaker: I will be very glad to produce that advice. There will be every opportunity to produce the advice given to western farmers. That is why the election results turned out as they did in western Canada, because of the advice given out there by the then minister of trade and commerce. The farmers saw how ridiculous was the minister's advice when first of all he said that they ought not to seed and later advised them to seed although it was too late. The advice given to them was of such a nature that they could not possibly place any reliance on the views of the minister.

Instead of trying to answer the questions raised he simply endeavours now to obscure the issue. He talks about the tremendous prosperity of Canada. What about the prosperity of the United States? Was it the government of Canada that made possible the great expansion in the United States in the last two years? When we were in office the United States was in a position identical to our own.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Following that time any changes that took place were not changes brought about by the government of Canada. Surely this government is not saying that it was responsible for the improvement in the economy of the United States.

Things have changed since then. Would the minister stress the fact that in Canada there are 359,000 unemployed? I understand that is the latest figure. I had to mention that because I want the minister, who has had something to do with statistics, to get the actual facts. He certainly would get the facts if he went out and tried to tell western farmers what they ought to do.

I think the minister should know that in the west he is regarded as a man of great energy. The people there also regard him as a man whose predictions they must ignore if they are to maintain themselves in productive agriculture. Let us go on with the rest of the argument. The minister says today that a tremendous amount of wheat is being sold. That is absolutely correct. What was condemned when we did it, namely selling to communist nations, is today accepted by the party which condemned it. All over the world there is a demand for wheat. The Minister of Finance and the Minister of Transport, who spent so much time condemning us for selling to communist nations, should realize that now they are actually making sales which otherwise they would not have made were it not for the previous Conservative government.

Mr. Pickersgill: Can I ask the right hon. gentleman a question?

Mr. Diefenbaker: Certainly.

Mr. Pickersgill: Would the right hon. gentleman please inform the committee which government it was that made the first sales of wheat to a communist country? Was it not the St. Laurent government?

Mr. Diefenbaker: Mr. Chairman, all I say is that that question does not divert me in any way from the fact that when we entered into the agreement to sell wheat to communist China it was ridiculed by the Liberal Party.

An hon. Member: Hear, hear.

Mr. Diefenbaker: It was condemned. We were described as selling for cash to our friends and for credit to our enemies. That is one of the reasons that the political crop so far as the Liberal Party is concerned has turned out not as favourably as was expected or as it appeared it might in the months of June, July and August when they felt that they would be able to garner a lot of votes in western Canada. I know the farmers' hopes with respect to their crops. I have seen western farmers in the month of July look at beautiful upstanding crops which when they were threshed had nothing in the head. That is what the Liberal Party found in the field of political agriculture in westen Canada just recently.

Mr. Sharp: Also as the right hon. gentleman found in Toronto.

Mr. Diefenbaker: It just shows that the western farmers could see through the transparent attitude of the Liberal party.

We are back to the subject we spoke of earlier. I am sorry I was dragged into this digression because I do not like to be brought into fields such as this. I do suggest in view of the minister's attitude that a controller should be appointed. May I ask him now, in view of the fact that it is admitted that a controller would have done some good—otherwise the government would not have given consideration to it—will he not bring in legislation to that effect? The minister said that the government could not take such action because the legislation had been allowed to lapse. Will the government now, in order to guard against the possibility of those future events to which the minister alluded when answering, the hon. member for Burnaby-Coquitlam, bring in legislation for the appointment of a controller to the end that there will be the liaison and authority necessary to meet a difficult problem? That it is a difficult problem no one will argue against.

In order to get the most effective action I ask the government to bring in legislation to assure that there will be that authority, that liaison, that communication which will place both railway companies in a position where any laggard conduct on their part will be met in a manner in keeping with the situation. That was my purpose originally in rising. I aroused the minister and I hope he is over it now. I should not have brought these things out had I not been pressed to do so. My purpose in rising was to say that the problem is great. It has been great. I admit that there has been improvement in the last few weeks and I express my appreciation for the voyage of the Minister of Agriculture through western Canada. I know he suggested that nothing would be more beneficial in giving a new impetus to the good husbandmen in western Canada and in other parts of Canada than if the government were to bring in that legislation I have referred to immediately. That it can be done immediately I am sure. I am sure also that legislation to provide for the appointment of a controller would be passed almost immediately without debate.

The Minister of Transport seems to indicate by his reaction to what I say that it might not be passed without debate. May I ask him as a passing observation not to participate 38 times in a debate because he is developing a capacity for actually talking out the passing of his own estimates, unintentionally I am sure. However, that has been the result of his intervention.

[Mr. Sharp.]

My purpose in rising is to say: Will you do what I suggest? I think that this would bring all of us together. We would have a worthwhile debate because the fact that an appointment was considered by the minister indicates how effective a controller would have been had one been in office. Let us have a controller so that we will not in the future have the fears, exemplified today by the minister, translated into events.

Mr. Pickersgill: Mr. Chairman, I think I should say right away that when I am advised by a former prime minister that a certain course of action ought to be considered it would be disrespectful if I did not say at once that I will bring this suggestion to the attention of my colleagues. The former prime minister knows that one minister alone cannot commit the government without consultation. I will bring the matter to the attention of my colleagues, and we will consider all the implications of the right hon. gentleman's suggestion.

Mr. McIntosh: May I say to the minister in respect of what he has said that if he follows that suggestion I think he will find that not all the fault is with the railway companies. I am quite sure that some of the blame falls on the elevator companies. That is particularly so in regard to non-competitive points, which seem to be on very low quotas. Adjacent points that are competitive have had higher quotas. If the minister were to follow the suggestion of the Leader of the Opposition it would eliminate some of the criticism which has been directed at him.

• (4:50 p.m.)

Mr. Douglas: I do not wish to delay the passing of these estimates and I will make my comments very brief. I hope that when the Minister of Finance is considering the appointment of a traffic controller he will also give thought to making a statement in clarification of the comment he made today concerning what might happen in the course of the delivery of the present wheat crop. I am a little afraid his comment may cause some dismay across western Canada and I do not think this is his intention.

The minister said he could not answer my question because he could not deal with a hypothetical situation. But I would point out that the minister's own statement will lead a great many people to believe that the wide

disparity which now exists will carry through to the end of the crop year. I will not go over the figures which have been mentioned earlier, but the disparity is very wide and if there is any feeling that it is likely to continue to the end of the year perhaps he should make a further statement.

Mr. Sharp: Let me say at once in reply to the hon. member that this disparity will not continue to the end of the crop year. It will grow less and less and I hope it will disappear. But it might not quite do so.

Mr. Douglas: If the minister is saying that seriously, I am satisfied, but that is not the statement he made earlier today.

Mr. Pickersgill: Yes, it is.

Mr. Douglas: The minister said earlier today that in order to get rid of this crop it would be necessary to ship the grain from where the maximum amount can be moved and that this may cause serious disparities.

Mr. Sharp: It might cause disparities.

Mr. Douglas: If these discrepancies are serious and extended, I hope the minister will consider making some statement before long that there will be an equalization formula applied so that farmers whose quotas are below a certain level will be allowed to carry part of their quota through to the next crop year. I suggest that the minister consider making such a statement before June 1. Otherwise there is likely to be a good deal of public agitation in areas where quotas continue to be low.

Mr. Olson: In addition to examining the possibility of appointing a traffic control officer would the minister examine the legislation which parliament has already passed to see whether something could not be done along the lines of a directive to the railway companies? I am convinced that the Wheat Board is attempting to equalize the quotas because they have sent hundreds of shipping orders to points where the quotas are low. But their efforts are frustrated unless the C.P.R. does in fact place cars there. I suggest the minister use the authority he already has in order to persuade the railways to co-operate in equalizing these quotas.

Mr. Sharp: We shall examine carefully the suggestions made by the hon. member for Burnaby-Coquitlam and by the hon. member for Medicine Hat and to the extent that it is necessary we shall take action.

Mr. Pickersgill: The Minister of Finance has been too modest to say this but on at least four or five occasions starting last September he in my presence—I do not know how many other times he may have done this—has conveyed to the railways, particularly to the Canadian Pacific Railway, in the most urgent possible tones, in the most urgent possible language, the importance of getting the wheat moved, fulfilling the contract and as far as possible moving the wheat as equitably as possible from western Canada. The minister did not tell us he had done this. But I heard him say these things to the presidents of both the railway companies on more than one occasion and to the C.P.R. more frequently than to the C.N.R.

Mr. Diefenbaker: I rise because the minister claimed he did not make certain statements. I cannot go into this matter in any detail now in the time at my disposal, but on June 11, 1965 there was a Canadian Press report from Regina in the following terms:

> Trade Minister Mitchell Sharp yesterday called on Canada's wheat farmers to produce another record crop.
>
> In Edmonton, provincial agriculture statistician, R. E. English, said farmers will not be able to do anything about Mr. Sharp's call because the wheat crop already is in the ground.

Then on September 24, 1963, as reported by Mr. Bob Hull, the minister said in a speech delivered at Moose Jaw to the Saskatchewan Farmer's Union.

> It will be in the interests of western producers to devote less of their land to wheat than they have in the recent past.

And on July 30 there was a report in the *Globe and Mail* from Edmonton under the heading "Sharp Urges Less Wheat, More Feeds". It reads in part as follows:

> Future demand for Canadian wheat can probably be supplied from a smaller acreage than the record 27,000,000 acres growing this year, Trade Minister Mitchell Sharp forecast last night.
>
> Mr. Sharp's remarks constituted a clear go-slow sign to prairie wheat growers, taking into account dwindling export opportunities and other factors including the decision of U.S. farmers to reject more acreage controls on wheat production.

Some hon. Members: Oh, oh.

Mr. Sharp: I only denied the statement of June, 1965. I fully accept responsibility for what the right hon. gentleman has read from my earlier speech in September, 1963. I changed my mind about that. But I did not make that statement in June, 1965. I denied it publicly. I am sorry the right hon. gentleman

does not have the denial with him. That was an inaccurate report of the statement I made. I did not make any statement like that in 1965. After all, like him I am a prairie boy.

Some hon. Members: Oh, oh.

Mr. Sharp: I know that by June the crop is planted. I have spent the whole of my life connected with the grain trade and if I did not know in June, 1965, that the crop had been planted I did not deserve to have been born in Winnipeg so many years ago. I think the right hon. gentleman should have given me the benefit of the doubt and realized I would never have said such a foolish thing in June, 1965.

Item agreed to.

Mr. Pickersgill: I wonder whether the committee would be disposed not to see the clock for a while? Perhaps I could give some of the answers to questions raised by hon. members and we could carry a few more items.

Some hon. Members: Agreed.

Mr. Howard: Did we carry item one?

The Chairman: I understood that vote one was carried.

Mr. Langlois (Mégantic): I had some remarks to make on item one but I was under the impression that the hon. member for Skeena was about to speak on this item. That is why I did not rise.

Mr. Pickersgill: I am sure the hon. member would have the indulgence of the committee to the extent that he would be able to make his observations on some other item.

• (5:00 p.m.)

Mr. Langlois (Mégantic): Provided I get that assurance from the minister.

The Chairman: Shall item 5 carry?

Mr. Howard: This is a matter of great concern to myself and other hon. members. In spite of the minister's suggestion I do not think we could pass the rest of the items in the time remaining so I suggest we call it five o'clock.

Progress reported.

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

[Mr. Sharp.]

EDUCATION

ELEMENTARY AND SECONDARY—PROPOSED FEDERAL-PROVINCIAL CONFERENCE

Mr. Richard Cashin (St. John's West) moved:

That, in the opinion of this house, the Government of Canada should consult with the provinces with a view to calling a federal-provincial conference for the purpose of devising an acceptable formula for federal aid to elementary and secondary education.

He said: Mr. Speaker, we are all well aware of the fact that under our constitution education is wholly within the jurisdiction of the provinces. Indeed, there is no other area of provincial jurisdiction that is so jealously guarded as education. It is my hope that no one in this house or outside it for that matter will interpret this resolution which I am pleased to introduce as in any way affecting that jurisdiction. I trust that hon. members on all sides will agree with me that while education is within the jurisdiction of the provinces it is nevertheless a matter of national concern.

The people of Canada as a whole are or ought to be concerned about the quality of education in Canada. The Canadian people are concerned or ought to be concerned about the disparity between opportunities for education that exist in the various regions of this country. Indeed, disparity exists between individuals within the same region.

It is an undeniable fact that while education is a provincial responsibility great differences exist between the ability of each province to provide educational opportunities for their people. The Canadian Teachers' Federation has long been concerned about the severe imbalance in educational opportunities in Canada. A little over two years ago they presented a brief to the government of Canada on this matter entitled "Educational Inequalities." The problem as outlined in that brief is basically that the quality of education available to Canadians depends on where they live. With the indulgence of the house I will quote from the brief:

The two main factors which determine the level of opportunity are not the ability and willingness of students to work diligently, but rather the general wealth of the province and the relative importance placed on education by the people in that province.

The second factor, the value placed on education by the province, the federal government cannot rightfully affect. The first, provincial wealth, is appropriate to bring to your attention since it affects the ability of a province to provide funds to discharge its constitutional responsibilities towards education, since it affects the economic well-being of a nation as a whole, and since it has roots outside the field of education.

This brief discusses the indicators of equality, the most notable of which is the per pupil expenditure on public, elementary and secondary education by provinces. In 1961 the difference was between $378 in the province of Alberta and $141 in the province of Newfoundland. The Canadian average was $286 and six provinces spent sums of money below that figure.

The effects of this inequality are widespread. One particular effect drawn attention to by the Canadian Teachers' Federation was the estimated retention rates at the junior matriculation level by provinces, that is to say, a statistic which shows the number of drop-outs. Again we find a relationship here between the amount of money spent in a province on education and the number of students in that province who did not complete secondary education. The province with the highest per capita expenditure on education is the province that looks best in this statistic.

There are many other effects of inequality in education which I hope are obvious to all members of the house. If anyone has any doubt about the relation between education and economic development, then I can only suggest that they have been unaware of the refinement in Canadian thinking that has been going on among educationalists and economists in Canada. There is, indeed, a direct relationship between standards of education, the availability of qualified people, and the economic growth in a particular area. Thus, there are large areas in Canada which will continue to be slow growth areas unless greater effort is made to increase standards of education and the opportunities for education in these areas.

As the matter now stands, funds for educating the children of a province must be derived largely from the wealth of that province. The average personal income of all Canadians in 1963 was $1,532. One province had less than half the per capita income of the two or three highest income provinces and equally had proportionately less than half the money to spend on education that the top provinces had. It is the provinces with the lowest personal incomes which spend the least on public, elementary and secondary education. These are also the provinces which have the lowest student retention rates and the lowest proportion of teachers. Therefore the conclusion of the Canadian Teachers' Federation was that those provinces which spend little on education do so mainly because they have relatively little to spend

One other matter raised in the brief to which I would like to make reference is that a province's effort is not necessarily related to its wealth. They include a table in their brief which is entitled, "The Total School Board Expenditures for Education as a Percentage of Personal Income by Province in 1961," and the five highest provinces were Saskatchewan, Alberta, New Brunswick, Newfoundland and British Columbia. Of those five highest spending provinces on a percentage of personal income basis, two were provinces which have the least personal income per capita in Canada.

Another study was made by an Eric J. Hanson for the Canadian Tax Foundation, which devised statistical information respecting the percentage of personal income needed to provide an average Canadian standard in education, that is, if educational standards were in complete uniformity and equal in all provinces. If that were done it would mean that the province of Newfoundland, which has the lowest per capita income, would have an expenditure of 9 per cent on education as opposed to 3.3 per cent in British Columbia and Ontario. So even if this province out of its own resources were to provide the standards of education that are enjoyed in Ontario and B.C. it would be spending twice to three times the proportion of its provincial expenditures on education.

• (5:10 p.m.)

In the foregoing remarks, I have made some references to the areas touched upon by the Canadian Teachers Federation. There are many other areas of statistical information available from this body which illustrate the main point of the federation's brief, namely, that the quality of education available to Canadians depends largely on where they live. The main significance of the brief, therefore, which seems to be an indisputable fact, is that the inequalities that exist are due primarily to a variation in the degree to which the provinces are financially capable of discharging their constitutional responsibilities. The main problem has its real roots in the unequal distribution of economic resources among the provinces, a field which is properly the concern of the federal government.

Perhaps since the time of the Rowell-Sirois report we have been cognizant of this great disparity in provincial resources. In the quarter of a century or so that has elapsed since

that significant document, which perhaps has not been given the attention it deserves, various governments have attempted to cope with this problem. The present administration, through such devices as the Atlantic Development Board, the designated areas program and equalization payments, has perhaps recognized the dilemma more than any other administration.

We are all aware too that education has a profound effect on economic growth. I think it is safe to say that our awareness of this is of recent vintage. The Economic Council of Canada devoted a full chapter of its second annual review to education and economic growth. The report suggests that a very considerable scope would appear to exist in Canada to promote the growth of per capita personal income by improving the educational standards of the labour force. There is ample evidence that there is a direct relationship between education and personal income.

As I have said, the provinces that spend the least on education are the ones with the highest percentage of low income people and the lowest levels of education. If these provinces are to have the same opportunity for economic growth as the rest of Canada they must spend more on education. The problem of economic development, therefore, cannot be divorced from education, and since these provinces obviously do not have the required wealth themselves they must turn to the federal government.

Any meaningful program of regional economic development must face up to this dilemma. The related problems of educational opportunity and economic development are as important to the Atlantic provinces as the matter of biculturalism and all its related factors is to the province of Quebec. All of these matters are, one way or the other, bound together with the inequalities of opportunity existing among Canadians.

This then is the greatest challenge to Canadians, to remove these inequalities and to assure that all Canadians have equal opportunities to live in dignity.

In a very real sense the problems of the French Canadian, the Atlantic provinces, the new Canadians and other groups are not so different as they would appear. The causes and solutions may vary but the real problem is to make Canada the kind of country in which all of these people can feel equally at home, equally assured of their participation in the growth of their nation and equally fulfilled in the advantages of being Canadian.

[Mr. Cashin.]

How then do we approach this challenge, Mr. Speaker? I think the first and important thing to do is to have more discussion of the problem of educational opportunity and economic growth in our war on poverty. I do not mind saying that I was considerably annoyed by the attitude of some hon. members of the house who suggested that this is an improper thing to do.

I know there are legalistic and constitutional purists who worry about the impact of discussion and talk on one jurisdiction or another but this does not worry me. One of the reasons it does not worry me is that worrying about it is not going to obtain for the people of my province a better living. On the other hand, the worrying done by these purists may obtain for the people they represent a better living. What we are all interested in is really the same thing. If we are asked by some groups in this country to have more understanding of their problems, then I say there are these low income groups across this country with problems relating to education and economic development that should become the focus of national attention. Certainly it is impossible for provinces such as the Atlantic provinces, which have the highest proportion of such people, to fulfil their constitutional responsibilities within their present means. This dilemma has to be resolved and any program of economic development that does not recognize education as an integral part of the problem is doomed to failure. What are the things that the federal government can do about this? I suppose we could adopt the old procrustean bed theory in our shared cost programs. I am sure hon. members are familiar with the bed of Procrustes. It was of a determined length and one had to sleep on it fitting it properly. If your legs were too long they were cut off and if they were too short they were stretched. That is the effect of shared cost programs. They do not do very much to remove the inequalities between provinces. I do not think that shared cost programs are the answer to the lack of education. Again, this may be too blatant for those who are legalistic or constitutional purists on this point. Perhaps we should take a page from the book of the United States in its war on poverty. They have recognized the importance of education and improving educational opportunities in their battle against poverty.

At the federal level we do have agencies concerned in this regard such as the Atlantic Development Board. Perhaps this is a way to

accomplish the required end. I would suggest that the most meaningful way to do this is really to discuss the problem and obtain a national consensus to the effect that it is a real challenge to eradicate the inequalities of groups in Canada and give all regions the same opportunity as the most prosperous regions. That is the basic philosophy I support, and I am concerned that we are not talking enough about this problem across Canada. Politicians of all political parties may pay lip service to the problem but I do not think we have really been seized with it. I think that in years to come we will be in greater difficulty if we do not take hold of this problem.

This is something that could excite Canada. Canadians are always wondering what our national identity is. This has never bothered me or those of us who know what our identity is. It seems to me that if we put something meaningful into being Canadian, and undoubtedly this involves being bicultural, we will help to solve the identity problem as well as the problem of inequality of opportunity between provinces. I cannot help but think that the bicultural problem is similar to the one about which I am talking. I would suggest that perhaps a change in our equalization formula would help so that the provinces with the lowest per capita incomes would then have the financial resources available in one way or another to give their people the same opportunity to live in dignity.

I have become very concerned about this situation from time to time because it seems to me that a gap exists between our efforts in this regard and our requirements. My province has made considerable improvement over the past number of years and is one of the Atlantic provinces which has enjoyed a relative increase in per capita income, but we are not narrowing the existing gap. If this relative position continues for those of us who live on the outer fringe of Canada, confederation will have failed. We are just as interested in confederation as are the rest of Canadians, but what is perhaps needed to a greater extent is a better kind of assistance.

I realize that there are people in all ten provinces of Canada who share this basic problem which is so important to Newfoundland and the other Atlantic provinces, but I would urge that the federal government talk about it and that the provinces talk about it. If there are some provincial premiers or federal politicians who do not like this idea, then the answer is to have the public of Canada become so concerned about it that those politicians who continually watch the political barometer will be forced to talk about it. I hope before too long educational and economic opportunities will be recognized as related factors so that Canada can begin to do something meaningful about this problem.

• (5:20 p.m.)

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I should first like to congratulate the hon. member for St. John's West (Mr. Cashin) for a very able presentation on the problem of education. I have presented a resolution along the same lines which I think will be discussed next week. I hope this is an example of great minds thinking alike and not the other side of that old adage.

However, as I listened to the hon. member it seemed to me that the problem he enunciated was not quite the one stated in his resolution. The resolution seems to refer to all provinces and the hon. member in his speech made particular reference to the Atlantic provinces. The idea that the federal government should be involved in assisting the financing of elementary and secondary education is not abhorrent to me. I am not against the principle but I think there are very important practical difficulties and I should like to elaborate this point at the moment.

In my view it would be better for the federal government to confine its assistance to and involvement in education to the field of higher education or, if you like, post-secondary education. This is the field in which the federal government is already engaged to a certain extent. We all know that in the immediate years ahead there will have to be a very dramatic increase in the financial involvement of the federal government in financing post-secondary education in Canada, that, is colleges, universities, technical schools and so on.

There are some people in this country who say that we cannot afford to give this aid to higher education. It is a very great amount of aid, as we know from the report of the Bladen Commission. These people say we cannot afford to do this and have medicare, increased pensions and so on. I am convinced that the country can afford this assistance if the economy of Canada continues to grow at the rate recommended by the Economic Council of Canada. I suggest that if the

federal government meets the bill for education at the post-secondary level recommended by the Bladen Commission and goes beyond what the Bladen Commission recommended to the goal of tuition free education for students, it will have its hands full in the field of education because this will involve very great amounts of money.

There is one important aspect of the question of financing education that we must keep in mind. It seems to me it is a principle of government in this country that when you finance something there should be some financial accountability to the legislature or parliament providing the funds. I think we sometimes forget that. If this is the case, the federal government will have to require an accounting from the institutions of learning which are receiving its funds, namely, the institutions of higher learning in Canada.

This means some sort of federal control. It may only mean the control of veto, but it means some sort of control over spending because if we do not do this we will hear about it from the Auditor General. This can be very important. For example, the universities will have in the next few years very great capital expenditures. These will have to be watched to a certain extent.

Universities become ambitious and want to add colleges and faculties of various types. I should like to give some illustrations, Mr. Speaker. At the present time I think there are in Canada four faculties of forestry, one at the University of British Columbia, one at the University of New Brunswick, one in Toronto and I believe one at Laval. These may be enough to supply the forestry engineers that we need in this country. I do not know. This is a matter that can be determined. But suppose ten other universities suddenly decide that they should have faculties of forestry. We would have to determine whether those were required and we might have to say no.

We have a limited number of dental colleges in this country. Again, I do not know how many we need. We have in western Canada one school of veterinary medicine under construction, I believe, at the present time. This may be all we need. We have a number of medical schools in the country and more are under construction. If more universities decided that they wanted medical schools and improved research facilities, and we did not need that many, there would have to be some sort of control applied. I raise this point because control goes with spending and if the federal government has to spend a great deal of money in the field of higher education, as I think it will, it will have to exercise some sort of control along with the spending it will be doing.

If I am not mistaken, the involvement of the federal government in higher education is not a problem in nine of the ten provinces. Apparently it is in the province of Quebec. The opposition in that province have said even more forcefully than the government that they want to deal with their universities directly. At the present time there is a controversy, it seems to me, between Premier Lesage and the federal government whether they must account for the funds they receive from Ottawa. I do not think this problem occurs in the other provinces. I can see the day in the future when the federal government will be putting up the greater part on the money required for financing colleges, technical schools and universities in Canada.

When that time comes, Mr. Speaker, I suggest it will be all the federal government can do to meet that responsibility. This does offer some hope for the provinces. If they can be relieved of their heavy costs of higher education they can then apply these funds to the improvement and expansion of elementary and secondary education.

It seems to me that if you accept my argument about financing and control as logical it follows that if the federal government were providing funds for elementary and secondary education some sort of control would have to be used. I suggest that provinces other than the province of Quebec might object. For example, I do not think Ontario wants this government to have very much say in the operation of its public school system. It may not object so much in the field of universities but it would certainly object as regards the lower levels of education. Again, Mr. Speaker, if the federal government takes up the costs of higher education it will release funds in the provinces which can be spent on elementary and secondary education.

The hon. member for St. John's West has raised a very important point, namely, the relationship of the amount which can be spent in a province on education to the per capita income of the residents of that province. I would suggest to him that this is a problem more confined to the Atlantic provinces than the other provinces. I think my

own province and the province of Ontario can well afford to finance the elementary and secondary schools and they could certainly do this if they were relieved of other educational costs.

I agree that the hon. member has made a good case for the Atlantic provinces and I should like to see some method worked out whereby through the Atlantic Regional Economic Council, I believe it is called, or the Atlantic Development Board some plan could be devised which would give them extra aid for their particular problems. But I doubt that the idea of the federal government financing and being involved in elementary and secondary education would be well received in the other provinces generally. Let us do a good job in the field of higher education, because a tremendous job faces us in the years ahead in this field alone.

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I admired the forcefulness of the original presentation with regard to the bill and I have always had a great deal of sympathy for the educational difficulties in the province of Newfoundland. At one time I was almost sufficiently moved to apply for a teaching position in that province, as some British Columbian teachers have been at various times, but I did not take that step. On the other hand, I do not quite see the bill presented here as being the solution to the problem, particularly not in the terms expressed by the hon. member for St. John's West (Mr. Cashin).

The hon. member stressed that education was a provincial responsibility as defined in the British North America Act, and I think one of the things we have to do is face up to this problem with regard to our constitution. It is not a case of being a legalist or a constitutional purist; it is a case of facing a fact.

• (5:30 p.m.)

We have developed an educational system in this country as if we were ten independent countries. This makes Canada a rather unique country in today's world. If you study comparative education, you will find that probably in no other country do the individual parts of the country have the independence in the field of education that the provinces of Canada have. This independence is jealously and fiercely guarded, fiercely guarded not just by the province of Quebec but by many of the provinces in this country.

We have allowed the federal government to intervene at the university level. I think one of the reasons this intervention has been accepted has been that traditionally the university has been a sort of autonomous organization itself. There is a freedom and lack of direct government control at the university level that simply does not pertain to the rest of the educational system. Certainly in the elementary and secondary educational systems provincial control is very complete, at least it is in my province of British Columbia, and I think you will find this pattern pretty well across the country.

Whereas we do break up the national system into ten parts, once we have made that initial division we have a centralization of educational control within the provinces. This is so to a very great extent, and the province has been supreme. The individual school has not had the authority it would have in some of the other nations of the world. The problem of injecting financing from the federal level, therefore, becomes more acute.

I think we should realize that this has been partially bridged by the supplementing of vocational educational facilities through federal assistance. I think we should perhaps be ready to admit that this does involve a certain bias or pressure in regard to the educational systems of the provinces that are accepting it. On the other hand, I doubt very much that the provinces are willing to allow federal intervention in other areas.

I think the basic problem in the argument presented by the hon. member for St. John's West is that it would not result in the solution he desires. I feel we should clearly understand that throughout all the years of our development there has grown up an intense rivalry between provinces with regard to their educational facilities. Some provinces pride themselves on being first and the amounts that are paid per capita are watched very keenly across the entire country. The levels of salaries that are paid teachers are also watched very keenly across the entire country. I can assure the hon. member that unless his formula amounted to an absolute strait-jacket that would forbid provinces going above it we would still have inequalities because there are some provinces that have prided themselves for many years on being ahead in the Canadian educational picture. I do not know how you would eliminate that unless your formula became much more than a formula and became a restriction

or a brake on the provinces that were determined to go ahead and stay ahead in the educational game.

It seems to me some methods could perhaps be introduced within the provinces themselves to meet the situation. Again, it seems to me that the provinces that are ahead were the first to move into the areas of consolidation and have developed ideas of consolidation to the furthest extent. This has been a factor in their being ahead. There have been devised such schemes as home owners' grants, for example, that have been very effective in persuading the local populace it can afford a higher standard of education than it previously thought it could. If you were to look at the last issue of the British Columbia teachers' magazine, you would see an article entitled, "Home Owners' Grants A Good Idea". There may be some need to examine the tax system to ensure that it is not at present discouraging the local populace from advocating advances and reforms in the educational field.

The other problem that arises is that there is no equality of educational opportunity even within one province at the present time. In the province of British Columbia, for example it is extremely difficult for some areas to attain anything close to the same level of educational opportunity afforded to others. I think that there are other anomalies and that this would be true of some of the other provinces. One of the things that might overcome some of these problems would be forming something like the Company of Young Canadians. Amongst teachers, perhaps you could get people who would devote part of their life to service in some part of the country where teachers are almost impossible to obtain. I have in mind the peace corps suggestion of the Canadian Teachers Federation. We would be doing something that would be tangible and would help overcome the problem of educational inequality. It is not just a question of how much money you can offer persons to go to these undesirable areas but whether you can find anyone at all who will go to such an area in order to teach. I am not condemning any particular province here. I am saying that all provinces will have this problem of inequality of educational opportunity within their boundaries.

There is another area that might be considered which would involve a program in the field of pre-school training, particulary for some of the groups in this country. I mentioned this earlier in the house as the sort of aid that should be given to Indian students on reservations in developing a program that would prepare them to fit into our society. It would be extremely difficult to work out an acceptable formula because it is one of my theories on education that the place where the money needs to go most desperately—I am speaking of provincial money here—is always at the grade one level. However, I doubt very much that the setting up of a grants structure through the federal government would influence that level of education particularly because there are so many other levels that are more dramatic. This is the area, however, where you can make the greatest possible improvement in an educational system with, I believe, the least expenditure of money. I think anyone concerned with education should constantly keep that in mind.

I think perhaps it would be advisable to call not for the setting up of a formula here but for the setting up of a ministry of federal-provincial affairs together with a ministry or educational bureau. At the moment I wonder just who would attend a federal-provincial conference as proposed in the bill which we are discussing sponsored by the hon. member for St. John's West.

• (5:40 p.m.)

There are areas of co-ordination which could be established between provinces in order to solve some of the problems arising in education, particularly when students transfer to one province from another. Again, it would be impossible to get a standard curriculum across the country. People often demand one but I usually tell them that they just have to face up to the constitutional fact that we do act like separate countries. I do not think that within the foreseeable future we could have one curriculum across the country. In fact, our schools tend to be moving away from this idea; they seem to be moving toward more authority to establish their own curricula. So that problem would remain.

I think that rather than rushing into a federal-provincial conference at this moment, which as I see it would have no possibility of success, we should examine the possibility of setting up a ministry of federal-provincial affairs, giving it an educational responsibility and possibly working through it toward a solution of some of the problems facing Canada in our development of education.

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should not like to miss this opportunity to express an opinion, not only on behalf of my colleagues of the province of Quebec who are members of the Conservative party but also on behalf of all the members for the province of Quebec, regardless of their party affiliations.

I believe the motion made by the member for St. John's West (Mr. Cashin) should not be considered by the house. I base my claim on the B.N.A. Act which is very specific with regard to education.

I wonder if my hon. friend belongs to the legal profession. If so, I should not like to be one of his clients nor have to be judged by my peers or by a court and, even less, a constitutional court.

Before introducing his resolution, my hon. friend should perhaps have looked up the Canadian constitution, that is the British North America Act and more particularly sections 91—

Mr. Cashin: What about health?

Mr. Valade: —92 and 93 of the British North America Act.

With the indulgence of the house, I will quote a few references to enlighten my young friend. I appreciate the fact that his intentions are quite commendable and that he would like to win over the sympathy of the younger generation of his province. Unfortunately, his province is ill-administered by a government which has neglected its responsibilities in the field of education and has to resort to unconstitutional publicity means in this regard.

If my hon. friend will bear with me, I would like to quote some of the sections of the British North America Act, of which, unfortunately, I have only the English version here. I hope you will excuse me if I quote these sections in English.

[*English*]

Section 91 of the British North America Act, Mr. Speaker, states:

> It shall be lawful for the Queen, by and with the Advice and Consent of the Senate and House of Commons, to make Laws for the Peace, Order, and good Government of Canada, in relation to all Matters not coming—

I emphasize these words.

> —within the Classes of Subjects by this Act assigned exclusively to the Legislatures of the Provinces—

Mr. Cashin: You can get around that. We have done it before.

Mr. Valade: I think that is quite clear to my hon. friend.

Mr. Vincent: They want to opt out once more.

Mr. Valade: Section 92 lists the matters coming within the exclusive jurisdiction of provincial legislatures and the second paragraph states:

> Direct Taxation within the Province in order to the Raising of a Revenue for Provincial Purposes.

If that is not clear to my hon. friend on the other side of the house, may I throw some more light on his junior mind by referring to section 93, which reposes these privileges exclusively under provincial responsibility. Section 93 reads as follows:

> In and for each Province the Legislature may exclusively make Laws in relation to Education, subject and according to the following provisions—

Mr. Cashin: I do not disagree with you.

Mr. Valade: My hon. friend says he does not disagree with me. If he does not disagree with me, then I understand he is inviting this house to contravene the spirit and the letter of the law which has founded this country—

Mr. Cashin: That is not so.

Mr. Valade: —with respect to the rights of the provinces which have participated in the elaboration of the Constitutional Act of Canada.

Mr. Cashin: You know we can get around that.

Mr. Valade: We are talking today about writing a new constitution. This one has not yet been revised and already our friends across the way want to change not only the three sections of the constitution to which I have referred but they also want to eliminate the most important and exclusive rights falling under provincial responsibility.

Mr. Cashin: That is not true.

Mr. Valade: My friend is a lawyer and he says that is not true. In that case I do not know how he came to draft a motion in which he asks the provinces to ask for federal aid for education. I do not know how many definitions my friend has of education but to me education is education.

Mr. Cashin: There is federal aid now.

Mr. Valade: I do not know why my hon. friend finds it necessary to differ in his motion from the B.N.A. Act. Perhaps this is part of co-operative federalism. But I do want to make it clear to my hon. friend—this is why I am speaking in English; I have referred to some sections of the B.N.A. Act and I want to make this clear because the translation might not reach my hon. friend in time—that education has been exclusively preserved as the right of the provinces.

If my hon. friend wants to show that he is speaking for his party, then I hope he will get up and make the statement that he is now expressing the views of his entire party. If he is not expressing the views of his party but is talking for himself, then I hope that my hon. friends from Quebec, who should be around him tonight, will invite him to repeat—

Mr. Cashin: Are you speaking for your party?

Mr. Valade: At the next election we in Quebec will invite him—

Mr. Cashin: Are you speaking for your party?

Mr. Valade: —to make the statement he has just now made in the House of Commons so that the people of Canada and the people of Quebec will know that they are facing a Liberal party in Quebec which is two-faced, one policy for the rest of the country and another for Quebec when this is necessary.

• (5:50 p.m.)

[*Translation*]

Mr. Speaker, we, in the Conservative party, succeeded several years ago in reaching an agreement with the government of the province of Quebec, not at the elementary or secondary levels of education, but rather on an adequate formula for aid to education at the university level and to research. There was perfect and cordial agreement between the former Conservative government and the then premier of the province of Quebec, Mr. Paul Sauvé.

The formula was acceptable and I would be pleased if my hon. friend, the Parliamentary Secretary to the Prime Minister, and member for Mount Royal (Mr. Trudeau) would let it be known that he is present in this house. I am told that he is a great constitutional lawyer, but unfortunately we have yet to see the flashes of intelligence he made a show of during the last election campaign. I should like him to tell us whether he shares the views of his colleague. Let him tell us, as an expert on constitutional law, whether he agrees with his colleague. If not, I hope he will have the courage to rise and to—

[Mr. Cashin.]

Mr. Trudeau: Do you want me to tell you right away?

Mr Valade: You may speak later.

Mr. Trudeau: I cannot have the courage after six o'clock.

Mr. Valade: After sitting in the house for three weeks, he has not yet spoken a word. I hope he will have the courage to rise—

Mr. Trudeau: I shall not have time later, but now I could do it.

Mr. Valade: I shall give you two minutes so that you may tell us whether or not you endorse your colleague's motions.

Mr. Trudeau: My answer is no.

Mr. Valade: Mr. Speaker, the hon. member for Mount Royal tells me he is not in agreement with his colleague. I am very happy about it because it proves that the motion before us tonight is contrary to what the Canadian people expect of our legislation.

Mr. Trudeau: Why did you do it in the case of universities?

Mr. Valade: I think the motion suggested to us is bad, because it will be like pouring oil on a fire that has been smouldering now for many years. In fact, it touches upon a sore point in the province of Quebec, the separatist idea. Why? Because there have been centralizing infringements of the confederation pact. This is why we of the province of Quebec, had demanded respect for the spirit rather than the letter thereof.

Mr. Trudeau: Why do you say that it is good at the university level?

Mr. Valade: Mr. Speaker, I hope that the hon. member for Mount Royal who likes to interrupt and who said, before being appointed to the post he now holds, that he preferred not to be made a minister, because he wanted to remain independent in order to express himself freely in the house—

An hon. Member: And he was not made a minister.

Mr. Valade: But in view of the fact that he was appointed Parliamentary Secretary—

[*English*]

Mr. Speaker: Order, please.

[*Translation*]

Mr. Valade: Mr. Speaker, I am very happy to say that I am against the resolution introduced by the hon. member for St. John West, and I wish to put my opposition on record.

Unfortunately, time does not allow me to say more. I see how impatiently the hon. member for Mount Royal awaits his turn to take the floor and I would like him to tell us if he is for or against the resolution introduced by his colleague.

[*English*]

Mr. Speaker: Order, please. I think the remarks which the hon. gentleman is making are not relevant to the resolution before the house.

Mr. Valade: Mr. Speaker, I thank you for calling me to order. I know that Your Honour should have heard the member for Mount Royal but he provoked me to reply and I did reply to him.

Mr. Trudeau: Mr. Speaker, I was asked to state an opinion. I asked the hon. member for Sainte-Marie to grant me the floor and he would not. I cannot state my opinion if he will not grant me any time.

Mr. Speaker: Order, please. May I remind the hon. gentleman that the remarks he is directing toward another hon. member of the house are not relevant to the resolution before the house.

Mr. Valade: Mr. Speaker, I was replying to a question asked by the member for Mount Royal.

Mr. Speaker: Order, please. I must remind the hon. gentleman again that he is not directing his remarks to the resolution before the house.

Mr. Valade: Mr. Speaker, in conclusion, because I want to give other members of the house an opportunity to express their points of view, may I express once more my disappointment at the motion which was introduced in this house today. I hope, sir, that other members on the other side of the house will take this opportunity to express themselves against the motion. We all know that this motion is in direct contradiction of the spirit and the letter of the constitution of Canada. I hope, sir, that motions of this kind will not see the light of day in this house in the future. I now yield my place to the hon. Member for Mount Royal.

Mr. Keith Hymmen (Waterloo North): Mr. Speaker, in speaking to the motion introduced by my colleague, the hon. member for St. John's West (Mr. Cashin), I would say at the outset that it is phrased in very diplomatic terms as it should be. It is not my intention to enter into a discourse on the constitution at this time because we all know that that fabled piece of legislation, oft-quoted in this house, which 98 years ago formed the dominion of Canada, places the responsibility for and the jurisdiction with respect to education strictly in the laps of the provincial governments. No one, however, prior to 1867 had any idea of the ramifications and the extent of the financial costs of education. The motion, Mr. Speaker, does not suggest that a federal-provincial conference on education be called but because of the serious criticism that we have had in the house this afternoon with regard to this matter I suggest that with the approval of the house the government consult with the provinces with a view to ascertaining their wishes with regard to having such a conference for the purpose of investigating the possibility of federal aid which to the best of my knowledge has never had this important consideration.

An hon. Member: Are you in favour?

Mr. Hymmen: I have mentioned the criticism of federal-provincial conferences. Some of the severest critics would appear to be those who have had the least experience with this vehicle and what can be accomplished by it. No less a person than the provincial treasurer of Ontario in his budget address mentioned the many conferences at all levels that had been held and what had been accomplished. This is one example of co-operative federalism with which the Liberal government has been closely identified and which we hope can be continued effectively.

The provinces appreciate the assistance which has been given at the university level. This is evidenced by the recent exchange of correspondence between the Prime Minister (Mr. Pearson) and the premiers of all ten provinces. This had to be done and must be continued and increased with the growing interest in the significance of higher education, having regard to our emergence into the technological and atomic age, the population explosion and the establishment of new universities.

The provinces were not prepared to assume by themselves the financial burdens of higher education.

An hon. Member: Six o'clock.

Mr. Hymmen: If I have appeared to deviate somewhat from the subject matter I will return to it immediately.

An hon. Member: Six o'clock.

Mr. Speaker: Order. I wish to advise the house that the hour for the consideration of private members' business has expired.

It being three minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

[The following items were passed in committee of supply this day:]

DEPARTMENT OF TRANSPORT

A—Department

1. Departmental Administration, $4,862,900

A—Department

1b. Departmental Administration, $118,000

HOUSE OF COMMONS

Thursday, February 17, 1966

The house met at 2.30 p.m.

ELECTORAL BOUNDARIES READJUSTMENT ACT

OBJECTIONS RESPECTING PROPOSED DISTRICTS IN BRITISH COLUMBIA, MANITOBA AND NOVA SCOTIA

Mr. Speaker: It is my duty to inform the house that three objections signed by the hon. member for Skeena (Mr. Howard) and nine other members in one case, the hon. member for Winnipeg South Centre (Mr. Churchill) and nine other members in the second case and the hon. members for Halifax (Mr. McCleave and Mr. Forrestall) and eight other members in the third case, have been filed with me pursuant to section 20 of the Electoral Boundaries Readjustment Act, chapter 31, statutes of Canada, 1964-65 with respect to the reports of the electoral boundaries commissions for the provinces of British Columbia, Manitoba and Nova Scotia respectively.

[*Translation*]

If the house will agree, I suggest that we again follow the procedure already used during this session so that the text of the objections, together with the names of the members who signed them in each case, will be printed as appendices to *Votes and Proceedings* for this day. Is it agreed?

Some hon. Members: Agreed.

[*English*]

SWEEPSTAKES

PROVISION FOR ESTABLISHMENT OF NATIONAL BOARD

Mr. J. H. Horner (Acadia) moved for leave to introduce Bill No. C-125, to provide for the establishment of a hospital sweepstakes board.

Some hon. Members: Explain.

Mr. Horner (Acadia): Mr. Speaker, the purpose of this bill is to establish, under federal jurisdiction, a national sweepstakes board to regulate, control and run sweepstakes in Canada.

Motion agreed to and bill read the first time.

HOUSE OF COMMONS

ACCESS TO LOBBIES BY MEMBERS OF PRESS GALLERY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether in his position as recognized leader of the House of Commons he would give his assurance that nothing will be done to set aside any part of the lobbies adjacent or contiguous to the House of Commons from which representatives of the press gallery would be barred. I am sure he will agree to that, because any action in this regard would be a contravention of the spirit of the bill of rights.

Mr. Speaker: Order, please. Perhaps the Prime Minister will want to reply to this question, but it does seem to me not the type of question or type of matter that comes within the jurisdiction of the right hon. gentleman in his capacity as Prime Minister. I may be wrong, but that is the opinion I wish to express at this time.

Mr. Diefenbaker: Of whom may I ask that question? Should I ask the Secretary of State?

Some hon. Members: The Speaker.

Mr. Diefenbaker: Certainly action should be taken by parliament, and the Prime Minister must be the one who will take a stand on this matter which, in my opinion, is wrong in every particular.

Mr. Speaker: Order, please. I suggest that this question does not come within the ambit or jurisdiction of any minister, as such.

FINANCE

CONTROL BY U.S. COMPANY OF CANADIAN INVESTMENT FUND

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I desire to ask the Minister of Finance whether his attention has been drawn to the fact that a mutual investment fund of $128 million of the Commonwealth International Corporation is now in danger of passing into the control of the Canadian Channing Corporation, which is a wholly

owned subsidiary of the Channing Financial Corporation of New York. May I ask the minister whether he intends to take any action to prevent the savings of some 50,000 Canadians from passing into the control of a United States financial institution?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have had some information about this matter. I am not familiar with all its details and I am not certain whether it would be possible, even if it were desirable, for the federal government to take action. However, I can assure my hon. friend that I mean to inquire into the situation.

Mr. Douglas: A supplementary question, Mr. Speaker. May I ask the minister if he will ascertain two things; first, if in the event of this transfer of control taking place this mutual fund will be subject to the economic guide lines policy of the United States government and second, in the event of that being the case, would he consider legislation which would prevent other mutual funds from passing beyond the control of Canadian investors?

Mr. Speaker: Order. May I suggest to the hon. member that the question appears to be hypothetical in the present circumstances.

[*Translation*]

ALLEDGED EFFECTS OF AMERICAN RESTRICTIONS ON VALUE OF CANADIAN DOLLAR

On the orders of the day:

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

On February 9 last, the Bank of Montreal stated that the American policy with regard to capital had affected the Canadian dollar. On the same day, the Minister stated that the American restrictions had not yet had any effect in Canada.

Does he still maintain today, on February 17, that the American restrictions have not yet had any effect on the Canadian dollar in Canada?

[*English*]

Mr. Speaker: Order, please. This type of question is very embarrassing for the Chair. It is extremely difficult to determine whether this is the type of question which should be answered because it is so urgent that it requires a reply today. May I suggest to the hon. member that perhaps this question might be placed on the order paper.

[Mr. Douglas.]

[*Translation*]

Mr. Caouette: Mr. Speaker, I rise on a point of order. I do not think that question can be put on the order paper. This is all I want to know. Does the minister still maintain that the American restrictions have no repercussions on the country at the present time?

Mr. Speaker: It seems to me that the hon. member could get an answer to that question by putting it on the order paper.

[*English*]

FUNDS RAISED BY U.S. IN CANADA FOR EUROPEAN EXPANSION

On the orders of the day:

Hon. J. W. Monteith (Perth): I have a question to direct to the Minister of Finance. Has the minister been given details of the activities of United States industrialists who are raising money in Ontario to finance expansion in Europe, as stated yesterday by the leader of the opposition in Ontario?

Hon. Mitchell Sharp (Minister of Finance): I have been keeping very closely in touch with this situation, not only through the channels through which the leader of the opposition in Ontario obtained his information but otherwise.

Mr. Monteith: Has the minister come to any conclusion as to whether there is cause for worry, as expressed by—

Mr. Speaker: Order. The question is not urgent in the form in which it is submitted to the minister.

NATIONAL PARKS

COMPLAINTS RESPECTING OPERATION OF NEW POLICY

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Prime Minister. In view of his reply to the premier of Alberta, when he stated that he is unaware of any case where the new national parks policy will disturb or damage any business, may I ask the Prime Minister whether or not he has examined any of the numerous complaints and petitions from businessmen operating within the parks with reference to this very subject.

Right Hon. L. B. Pearson (Prime Minister): Yes, I have, but the minister who is responsible has given them an even more detailed examination.

Mr. Eldon M. Woolliams (Bow River): May I direct a supplementary question to the Prime Minister. In view of the fact that the right hon. gentleman has disagreed completely with Hon. Ernest Manning, premier of Alberta, in reference to the federal government's infringement on the property rights of people living in the parks, will the Prime Minister now consider a judicial inquiry to look into realistic and legalistic complaints by the people conducting business for and on behalf of a million and a half tourists visiting Banff national park?

Mr. Pearson: I have already given a commitment, which I am glad to confirm, that before any legislation in this matter is passed those who are concerned by it in any way will be given an opportunity to be heard.

Mr. Woolliams: I do not wish to press this point too far, but would the Prime Minister consider setting up a judicial inquiry or some other form of inquiry, as he promised when he was in Calgary during September?

Mr. Pearson: No, I did not give such a promise. I promised, and I have confirmed the promise this afternoon, that all those affected by the legislation will be given an opportunity to be heard in an appropriate way. I will discuss with the minister concerned the specific suggestion which the hon. member has made.

INDUSTRY

AUTOMOBILES—EXTENSION OF AGREEMENT TO COVER REPLACEMENT PARTS

On the orders of the day:

Mr. A. D. Hales (Wellington South): My question is addressed to the Minister of Industry. Is the minister considering extending the free trade auto agreement to include replacement parts?

Hon. C. M. Drury (Minister of Industry): The house will recall that under the terms of the agreement we have with the United States governing automotive products provision is made for a review in the year 1967. At that time the question of replacement parts will be looked into.

AIR CANADA

OMISSION OF SASKATCHEWAN CITIES FROM DC-9 ROUTES

On the orders of the day:

Mr. L. M. Brand (Saskatoon): I wish to address a question to the Minister of Transport. Has the minister any explanation to offer for the glaring omission of the major Saskatchewan cities of Saskatoon and Regina from the list of Air Canada DC-9 service routes as outlined in yesterday's *Hansard*?

Hon. J. W. Pickersgill (Minister of Transport): No, sir.

Mr. Brand: A supplementary question—

Mr. Speaker: Order, please. I was about to consider the advisability of ruling the question out of order. However, the hon. member did receive a reply. I suggest we should now go on to another question.

[*Translation*]

LABOUR RELATIONS

RECOGNITION BY C.B.C. OF C.N.T.U.

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to direct a question to the Minister of Citizenship and Immigration.

About the brief submitted to the federal cabinet by the C.N.T.U. with regard to the tradesmen of the C.B.C., can the minister tell us if he will find a solution to that problem and if the C.N.T.U. will be recognized as the bargaining agent for those C.B.C. employees?

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, the question of certification is governed by the Industrial Relations Act which comes under the jurisdiction of the Labour Relations board; moreover, both come under the jurisdiction of the Department of Labour and not the Department of Manpower.

Mr. Grégoire: Mr. Speaker, I wish to put a supplementary question to the Minister of Citizenship and Immigration, because I realize that the minister is shunning this question and doing so quite skilfully. I would like to put the same question to the Minister of Labour (Mr. Nicholson). I had put it to the Minister of Citizenship and Immigration because he is the one who gave an answer to a question in this connection yesterday. But today, I want to put it to the Minister of Labour.

[*English*]

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I am very glad to have an opportunity to reply to this inquiry. As the hon. member knows, yesterday a very strong representative delegation from the C.N.T.U met with the Prime Minister and other members of the government. They presented a

very lengthy brief, and in the course of its presentation they produced a supplementary memorandum which was also quite lengthy.

I met with them following the meeting with the Prime Minister and other members of the cabinet. It was agreed it was in the interests of the unions concerned, the associated unions of the C.N.T.U., that I should be given time to discuss it with officials of my department, and later with my colleagues in the government. We are to meet again some time between now and March 1, after we have had the opportunity to study their carefully prepared memorandum.

POWER

DISCUSSIONS WITH U.S. AS TO EXPORT FROM BRINCO DEVELOPMENT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. I preface it by pointing out that the Vermont state legislature yesterday gave preliminary approval to a $400 million bill to purchase from Canada power having as its prime source the proposed Brinco development at Churchill Falls, Labrador. I ask the minister, have there been any discussions between the United States government and the government of Canada with regard to the export of such power, and what is the present stage of this matter so far as the government of Canada is concerned?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I would like to take that question as notice.

WATER RESOURCES

STEPS TO IMPLEMENT REPORT ON GREAT LAKES POLLUTION

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I wish to direct a question to the Minister of Mines and Technical Surveys with relation to the great lakes anti-pollution measures. Yesterday the minister was reading a fairly long statement, which I hoped he would have completed on motions today; but since he has not, could he answer one question about which we have all been left breathless? Who is going to co-ordinate the Canadian efforts on anti-pollution measures?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, I was led to believe my department would be doing that.

[Mr. Nicholson.]

Mr. Aiken: We are still breathless.

Mr. Knowles: Who led you?

Mr. Pepin: The Prime Minister.

[*Later:*]

Mr. Aiken: Mr. Speaker, I have a question for the right hon. Prime Minister. Has the cabinet committee on water resources yet met to consider the pollution problem?

Right Hon. L. B. Pearson (Prime Minister): This matter is under consideration by the government, Mr. Speaker.

PENITENTIARIES

COLLINS BAY—INVESTIGATION INTO ESCAPE OF PRISONERS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I would like to direct a question to the Solicitor General on the understanding that the operation of penitentiaries comes under his department. I ask him whether he has any statement to make about reports that (1) officials at Collins Bay penitentiary knew of an impending break and (2), at least one of the guards' rifles was so mucked up with grease it would not fire.

Mr. Speaker: Order, please. I would suggest the hon. member place this question on the order paper.

AGRICULTURE

ALBERTA—REQUEST FOR ASSISTANCE IN PEACE RIVER DISTRICT

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. In view of the fact that several thousand farmers in northern Alberta have now qualified for further assistance over and above P.F.A.A., according to guidelines laid down by the provincial government, would the minister not try to use his eloquence to soften the hard hearts of his colleagues to assure that some money in the form of assistance will be paid through the provincial government to these people?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I have not had any word from the provincial government in this regard, but if I do have word I trust it will not be under the very nasty appellation of "guide lines".

Some hon. Members: Oh, oh.

OLD AGE SECURITY

DISCUSSIONS WITH PROVINCES RESPECTING INCREASED PAYMENTS

On the orders of the day:

Mr. Terence Nugent (Edmonton-Strathcona): Mr. Speaker, I wish to direct a question to the Prime Minister. Will the Prime Minister inform the house whether communication with the provinces has begun, with the object in view of increasing the old age security payments?

Mr. Speaker: Order. I realize that the matter may be urgent, but it seems to me this is the type of question that might be asked every day. I suggest that it be placed on the order paper.

Mr. Nugent: Mr. Speaker, I suggest it would not be asked every day if the Prime Minister could dispose of it very quickly.

SPORTS

HOCKEY—GOOD WISHES TO NATIONAL TEAM IN WORLD CHAMPIONSHIP

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, may I direct a question to the right hon. Prime Minister. In view of the fact that the Canadian national hockey team, based in Winnipeg, departs this week end to play for the nation's honour in the world hockey championships in Yugoslavia, would the Prime Minister be inclined to wish the team success on behalf of the Canadian people?

Right Hon. L. B. Pearson (Prime Minister): I shall be very glad to do that, Mr. Speaker. The Canadian national team has had success in the past. The team has been training hard for the world championships and we wish it the best of luck. It has always conducted itself well on and off the ice.

BANKRUPTCY

REQUEST FOR TERMS OF REFERENCE OF COMMITTEE

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I direct a question to the Minister of Justice. In addition to the two rather unrevealing letters that were tabled yesterday with respect to the committee on bankruptcy, will the minister table his instructions respecting the terms of reference to the superintendent of bankruptcy so they can be studied before his estimates come up for consideration?

Hon. Lucien Cardin (Minister of Justice): Mr. Speaker, there are no other terms of reference than those contained in the correspondence I tabled.

Mr. Nielsen: May I ask as a supplementary question whether the minister will consider making a statement, during our consideration of his estimates, outlining the instructions he gave the superintendent with respect to this committee?

Mr. Speaker: Order, please. The hon. member has made his suggestion.

[*Later:*]

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I should like to direct a question to the Prime Minister or the Minister of Justice concerning the study of future legislation in respect of bankruptcy. Would the Prime Minister consider referring that study to the standing committee on justice?

Mr. Cardin: Mr. Speaker, as the hon. member knows, there are two studies now being undertaken, one by the committee I mentioned the other day having to do with revision of the whole Bankruptcy Act, and the other with respect to amendments to the Bankruptcy Act which we hope to bring before parliament shortly. It is presumed that there will be opportunity to discuss these amendments in committee or in the house.

HEALTH AND WELFARE

MEDICARE—INQUIRY AS TO LEGISLATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Prime Minister whether he is now in a position to give an answer to the question I put to him last Friday. I asked him then whether he could indicate to the house the date by which legislation on medicare would have to be enacted so that payments under it could start on July 1, 1967.

Mr. Speaker: Order, please. I am not sure whether I allowed the question, although I believe I did. If the minister who would normally reply to this question wishes to do so he may, in view of the fact that the question was asked previously. I have some doubt as to whether the hon. gentleman is asking a question at this time, or is asking for a legal opinion or an interpretation of the statutes. I believe his question is out of order, but it was allowed before and I now invite the minister responsible to make a reply at this time if he so desires.

Inquiries of the Ministry

Mr. Knowles: Mr. Speaker, may I point out that my question was put to the Prime Minister last Friday. It was allowed at that time and, as a matter of fact, a supplementary question was also asked and answered. The Prime Minister said he would discuss the matter with his colleague, the Minister of National Health and Welfare. That is the reason I hope he now has a reply.

Hon. Michael Starr (Ontario): Mr. Speaker, I rise on a point of order. The question posed to one of the ministers is related to something that might happen in 1967, and for that reason I think it is out of order. In view of the fact that when the hon. Member for Edmonton-Strathcona asked a question about a much more urgent situation it was ruled out of order, I do not see how this question could be in order.

Mr. Speaker: The matter of urgency is very relative in regard to questions at this time. I feel that the question should not have been allowed before because it does seem to ask for an interpretation or opinion by the responsible minister. However, I am placed in a rather difficult position inasmuch as I allowed the question last week in a moment of weakness.

Mr. Knowles: On the point of order, Mr. Speaker, I do not believe Your Honour had a moment of weakness. My question was based on a statement that had just been made—

Mr. Speaker: Order, please. May I suggest that this whole matter might be resolved if the hon. member placed the question on the order paper.

Mr. Knowles: Mr. Speaker, I suggest that Your Honour has already invited the appropriate minister to answer the question. My question was based on a statement of the minister—

Mr. Speaker: Order, please. As the hon. member for Winnipeg North Centre very well knows, this is the kind of matter that can easily be discussed during the adjournment debate. I ask the hon. gentleman whether he wants to avail himself of that opportunity.

Mr. Knowles: Thank you for your suggestion, Mr. Speaker. I shall comply with it.

WAR ON POVERTY

CHILDREN OF IMMIGRANTS UNABLE TO BENEFIT FROM CANADIAN SCHOOLS

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to address a question to the right hon. Prime Minister. In view of the finding just published that many children of immigrants with low incomes are not able to benefit from Canadian schools because of language difficulties, will the government consider this problem as part of its war on poverty?

Mr. Speaker: Order. This is a very important matter which might be placed on the order paper.

MUNICIPAL DEVELOPMENT LOAN FUND

INQUIRY AS TO AMOUNT REMAINING UNSPENT ON EXPIRY DATE

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, my question is to the Minister of Finance. In view of the fact that we are rapidly approaching—I do not know whether the Minister of Finance is listening; I am over here.

Some hon. Members: Hear, hear.

Mr. MacDonald (Prince): In view of the fact that we are rapidly approaching the expiry date of the municipal development loan fund, I wonder whether the minister can tell us how much of the $400 million originally appropriated for this fund will not be spent by this date.

Mr. Speaker: Order, please. I suggest that this is not a proper question.

[*Translation*]

INQUIRY AS TO EXTENSION OF PERIOD

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I have a question for the Minister of Finance.

I should like to ask him if he is now in a position to make a statement concerning the possible extension of time to enable municipalities to take advantage of the refund provided for under the municipal loans legislation?

Mr. Speaker: Order. It seems to me the question has already been asked and answered.

[*English*]

EXPO '67

AWARDING OF DISPLAY CONTRACTS TO U.S. FIRMS

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question that I should like

to direct to the Minister of Trade and Commerce. A few days ago Your Honour was good enough to let me ask the minister a question which had to do with allegations that large Expo contracts were being given to firms in the United States due to the difficulty of Canadian firms tendering. At that time the minister was kind enough to say that he would look into the matter and make a reply later. I wonder whether he is able to do that today.

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, at that time I said I could scarcely believe the allegations having regard to the method of awarding the contracts. They are awarded according to the advice and procedures of the Department of Defence Production to Canadian suppliers wherever possible. I have found no reason in the meantime to believe anything to the contrary.

[*Translation*]

EXTERNAL AFFAIRS

VIET NAM—REQUEST FOR PERMISSION TO SEND CANADIAN VOLUNTEERS

On the orders of the day:

Mr. Réal Caouette (Villeneuve): I have a question for the Secretary of State for External Affairs.

Has the minister received the advice he had requested from the Department of Justice concerning Mr. Echlin's letter requesting permission to send volunteers to Viet Nam? Has he received an answer from the Department of Justice since that time?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I have not yet received an answer. I was informed this morning that I may expect an answer perhaps Monday or Tuesday morning.

[*English*]

POWER

NATIONAL TRANSMISSION GRID—STATEMENT AS TO FINAL REPORT

On the orders of the day:

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, two days ago the hon. member for Qu'Appelle asked me when we could expect the interim report on the study of a national transmission grid. A draft final report is expected from the consultants in March, 1966. May I add that a first report was actually delivered on January 15, 1964, to the working committee. Because the report contained utility data considered confidential, this report has not been released. The report now expected might not be tabled for the same reason.

Mr. Erik Nielsen (Yukon): A supplementary question, Mr. Speaker. Has the minister yet been able to familiarize himself with the aspect of this matter that I asked him about?

Mr. Pepin: Yes, Mr. Speaker, and I have found that it is not under my jurisdiction.

[*Translation*]

FAMILY ALLOWANCES

INQUIRY AS TO POSSIBLE INCREASE

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr Speaker, I should like to put a question to the Minister of Finance.

In view of the fact that no provision was made for that in the estimates, could he tell the house whether he is seriously considering the necessity of increasing family allowances and will he inform us of his decision in his next budget?

Mr. Speaker: Order.

[*English*]

SUPPLY

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

DEPARTMENT OF TRANSPORT

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 coast guard 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 $24,689,500, $41,512,600.

The Chairman: House again in committee of supply on the estimates of the Department of Transport, vote No. 5. Shall vote No. 5 carry?

Mr. Howard: Mr. Chairman, I should like at the outset to apologize to the minister for something I said the other day when I spoke initially about the question of shipping and safety factors involved in shipping. I levelled the accusation that there had been a conspiracy of inaction and a conspiracy to do nothing. I want to withdraw that comment and to express my thanks to the Montreal

Star for having brought to my attention that I was in error.

Perhaps I could indicate what the Montreal *Star* had to say in an editorial on Tuesday, February 15:

> The government has been accused of being a party to a "conspiracy of inaction" on matters relating to the safety of navigation in the St. Lawrence system. That, we suggest, is not quite right. A conspiracy is hardly possible without study, thought and planning. And the government can hardly be accused of any of these things —and more's the pity.

Therefore, Mr. Chairman, I should like to withdraw the reference to a conspiracy of inaction.

Mr. Pickersgill: Mr. Chairman, I wonder whether the hon. gentleman would mind sending me over that editorial.

Mr. Howard: In anticipation I had two photo copies made, so I will send the minister one.

Mr. Knowles: You might as well put it on *Hansard* and let us all see it.

Mr. Howard: Indeed, I think it is more a question of a pretty deliberate and intense indifference that is involved. I should like to make some comments about the answer the minister gave in the house on February 11 in a short reply to my initial remarks. Before I do that I should like to thank the minister for having sent me over, along with a covering letter signed in his own hand, an application for employment in the government service of Canada. I looked quite carefully at this application for employment, because the minister and I had jocularly made some comments about what value I might be to him.

• (3:10 p.m.)

I was stumped by the first question, which is "Position applied for". I quickly came to the conclusion that the only position vacant appeared to be that of the minister, and I must say I am not applying for it. I am not going to bother filling out the application.

I should like to make one or two references to *Hansard* for February 11, page 1118, where the minister is reported as saying:

> He left the impression, I think, that because there were no regulations made under section 407 of the Canada Shipping Act, nothing had been done by the government or my department to insure the safety of the crews of ships.

I am glad the minister admitted that no regulations had been made under or pursuant to section 407 of the Canada Shipping Act, because that is the section which refers to ships being manned by crews sufficient and efficient from the point of view of safety of life. For the minister to have admitted that no regulations existed under that section is gratifying, at least for the admission itself.

The minister went on to point out, as he was quite able to do, that section 464 of the same act calls for a customs officer to detain a ship on the complaint of any person if he has reason to believe it is unsafe by reason of undermanning. The section provides that a steamship inspector rule on the question of no regulations existed under that section is cleared.

This is a correct interpretation of what section 464 says. What the minister failed to tell the house is that section 464 and the following section which also deals with the activities of customs officers and inspectors, as well as section 410 of the Canada Shipping Act had their origin in the merchant shipping act of Great Britain. All these sections were based on the United Kingdom practice, and when the Canada Shipping Act was initially passed we merely extracted these provisions from the British shipping act and put them into our law here. Under the British shipping act, and in every other shipping nation in the world, there are regulations which spell out the level of manning, but under section 410 of the Canada Shipping Act there is not a solitary word or regulation by the Governor in Council or even a letter from the minister that indicates what is the correct level of manning for ships.

Then the minister has the unmitigated gall to stand up in parliament and say that any sailor can complain to a customs officer if a ship is undermanned. He can do this under section 464. Of course he can. However, there is nothing in writing in any regulation or in statute form anywhere to indicate what is an undermanned ship, what is the correct level of manning. In addition to that, under section 466 of the Canada Shipping Act, if an individual does complain about the seaworthiness or the manning level of any particular ship, then the customs officer—let me read the section to you:

> —he may exact from the complainant a deposit of money to defray the expenses of inspection and to pay any loss which may be sustained by the owner on account of the detention of the ship, or he may exact such security for the payment of such expenses or loss as he deems sufficient.

This provision is to guard against trivial or vexatious complaints, and those words are contained in the section. I ask the minister, how in heaven's name are you going to find the average sailor with anywhere upwards of $1,000 in his pocket to put up as security to a

customs officer if he lodges a complaint that the ship is undermanned? It is just arrant nonsense on the part of the minister, and he knows it—and he knew it when he made the statement—to make this suggestion. He made the statement, too, in the face of 40 people having been killed in shipping accidents last year and millions upon millions of dollars of damage.

Then the minister said there was a specific provision in section 164 requiring qualified mates and masters, and that these are constantly checked. In the first place the minister cited the wrong section, but that is understandable. In the second place, what is the value of placing reliance for safety measures entirely on the shoulders of masters and mates of ships when there is no requirement for efficiency levels or proficiency levels of the crew? Can the minister tell me what are the requirements for a wheelsman on the great lakes, the St. Lawrence seaway or the St. Lawrence river? Can he tell me what are the requirements for a boatswain or ordinary seaman so far as safety measures are concerned?

The minister shakes his head. He cannot because there are not any. Not more than 3 per cent of the Canadian sailors sailing on Canadian ships are certificated, and I am referring to the ordinary crews. Apart from the fact that the minister got the wrong section in his reference, he also drew the wrong conclusion, as if to leave the impression that there were some safety standard being imposed by himself or by his government.

Perhaps the minister unconsciously knew what he was talking about when he mentioned section 164, because it is an appropriate section to mention in passing. This is the section that allows shipowners to employ children on boats with wages in the range of $50 per month. Section 164 is the one that deals with the apprenticeship of any boy to sea service, and that it shall be by indenture between the apprentice and the master or owner of the ship requiring the apprentice. This provision relates to the old scheme which allowed shipowners to employ people at extremely low wages. Perhaps the minister unconsciously knew about it and was really trying to apologize for it when he referred to section 164.

Let us get back to the main point with which we should be dealing. My hon. friend from Timiskaming wants to know why the minister has not got his advisers in front of him so they can advise him. He does not need them. He would not listen to them anyway. He has not so far, and I do not see the necessity for them. The other night the minister made a fantastic speech for about 25 minutes or so on the subject of a national transportation policy, and he wound up by saying that we did not have one.

In that fantastic speech he indicated that there was going to be a sort of vivisection take place within his department at the ministerial level. He was going to have a minister who would do the thinking, and that obviously excludes the current one. He was going to have a minister who would do the doing, and that excludes him. The only other portion of the sort of troika ministerialship over the Department of Transport for the present minister is the minister who does the talking.

• (3:20 p.m.)

All we have had so far is talk. We have been given no reasons for this state of affairs or any indication of serious concern about the welfare and the lives of the people who sail the ships of this nation. We want specific answers. The people of Canada and the people who sail these ships also want specific answers. They want to know about the traffic control system.

Last November the promise was made that the question of a traffic control system would be studied. The minister told us that on the seaway we have the most advanced and finest traffic control system in the world. Incidentally, there is not the same need for a traffic control system at the locks because a ship cannot very well fall over there anyway. The minister said he had this fantastically efficient traffic control system on one part of the seaway, but while it was promised last November that a control system would be put into effect in the lower part of the seaway comprising the St. Lawrence River and gulf region not a word has been said about that.

Another question the sailors would like answered and which should be answered in this house is: What about the requirement for radiotelephone communication between ships to enable one ship to communicate with another and give an indication of the position of the one with respect to the other, what the weather is and what the situation is regarding visibility? In this regard the sailors were told last November by the minister's deputy that

the department was already drafting regulations with respect to the use of radiotelephones for this purpose. What about that matter?

There is also the question of a two way channel. The minister is arranging to build a second channel at the Welland locks, presumably one for upstream and one for downstream traffic. What about the lower part of the St. Lawrence seaway? This was another of the items upon which there was agreement between the Seafarers International Union, the underwriters and the ship owners. They agreed on the necessity of providing a two way channel. There was also agreement on the question of radio telephone communication and the necessity for a traffic control system.

We must be told clearly and concisely what is happening in the department with regard to these matters and what the minister is doing about them. There is also the overriding and important question of drafting and promulgating regulations under section 410 (1) (n) concerning the level of manning of ships so that people can see what is the legal minimum requirement for numbers and classifications of crew personnel on ships.

All of these measures, are designed for one purpose, to save the lives of people who man the ships that sail in and out of the ports of Montreal, Quebec and those on the Great Lakes. Maybe my words are harsh. Perhaps the minister has felt a little uncomfortable. Perhaps I have said things in an angry tone of voice. But just think, Mr. Minister, of the feelings of the widows of men who have lost their lives on that blessed seaway partly because of your failure to act, partly because we have a Canada Shipping Act that is older almost than these halls of parliament and contains provisions that are out of date. We have provisions that give the Governor General in Council authority to do things and they have not done them. Answers are required, action is required, but we need action more than answers.

Mr. Pickersgill: Mr. Chairman, I cannot take very much more action at the moment than to give the committee the statement which I indicated I had with me the other day but which I had no time to give. In view of what the hon. gentleman has said this afternoon I think I have no choice now but to give the statement, though it is somewhat lengthy.

[Mr. Howard.]

Before I do so may I say I am grateful to the hon. gentleman for giving me this editorial from the Montreal *Star*, because I inadvertently left my copy in my office. I want to point out that the editorial is completely and totally inaccurate in one of its statements when it says that I blandly—I do not know that I have ever done anything blandly but I am not making a point of that—assured parliament that traffic control on most parts of the seaway is as complete as it is anywhere in the world.

Mr. Howard: That is right.

Mr. Pickersgill: The hon. member for Skeena did not make a distinction in his speech the other day, though I tried to get him to do so, between the seaway and the St. Lawrence ship channel, which are two entirely different things. One is above Montreal and the other is below Montreal. I never said at any time that I was satisfied with the control on the St. Lawrence ship channel.

Mr. Howard: I never said you did.

Mr. Pickersgill: Yes, you did.

Mr. Howard: I did not.

Mr. Pickersgill: Well, we will not argue about it like two small children.

Mr. Howard: Just arguing like one small child is enough.

Mr. Pickersgill: I am not satisfied and neither is anyone in my department with the conditions on the St. Lawrence ship channel, and I have never said I was. But if the hon. gentleman looks back to his speech he will see that he kept referring to the seaway, not to the ship channel. There were almost no accidents on the seaway last year because on the seaway there is a good and efficient control system. There were a regrettably large number of accidents in the ship channel and even in one or two cases in the port of Montreal itself, and a lot remains to be done before we can be satisfied with the provisions for safety.

As the hon. member pointed out, the government has received representations from a number of sources. He also referred to the meeting held in Montreal. Long before that meeting was held and ever since the department has been giving attention to every aspect of marine safety, and with the unfortunate sequence of serious collisions in the St. Lawrence River last year particluar attention has been paid to this area.

Various suggestions have been made for improvements in the law and in our procedures and facilities. All of these have received and will continue to receive not merely attention but wherever it is possible to take immediate action which seems to be justified that action will be taken.

I should like first of all to say a word about the separate ship channel system which is advocated by many of the users. One proposal that is frequently made is that in the interests of safety there should be duplicate channels in the St. Lawrence, one for upbound and another for downbound traffic.

The problem in this connection is, first, to determine by hydraulic studies whether the project is capable of achievement without materially disturbing the level of the river and, second, its cost. Both of these processes have been going on. A scale model of the whole river channel is being built so that we can make sure that these very costly works, if they are undertaken, will accomplish what we want and not make the situation worse instead of better.

Studies in this field are being pursued, and so far as we can judge the cost would probably be as much as $225 million. Until we are quite sure of the effects on the water levels and on the strength and direction of the currents, this huge program cannot be embarked upon without the risk that the situation will be made worse rather than better.

• (3:30 p.m.)

In 1967 the channel will be a minimum of 800 feet in width throughout its length except for a 20 mile stretch in Lake St. Peter where flow studies are being made prior to widening. By re-enforcing the requirement for upbound and downbound ships each to keep to their own side we have a practical achievement of dual tracks in the existing system. However, it is apparent that additional and up to the minute information is required by the ships using the channel in order that collision with other ships may be avoided. I may say, answering the question raised by the hon. gentleman, that during the past 12 months the department has given intensive study to the traffic information and control system whereby a network of experimental shore-based v.h.f.—I believe that means very high frequency—radio stations has been established along the river from Montreal to Quebec. If our feasibility studies prove successful permanent equipment will be installed and the system will be expanded to the limit of pilotage waters at Les Escoumins.

In the meantime ships which already are fitted with v.h.f. sets will be able to communicate with these existing stations during the next navigation season. Procedures are being developed to enable the latest information on traffic movements and weather conditions to be given to the ships in the system. Commencing with this traffic information service, the department expects to widen the scope of traffic surveillance and eventually to institute traffic control on a planned basis from Montreal to the open sea.

The next question has to do with the matter of radios on ships.

We have tried before and are renewing our efforts to encourage bridge to bridge communication between the large ships using the St. Lawrence system. Here we would take advantage of the fact that most of the foreign ships and all of our own lake ships using the river are fitted with v.h.f. radiotelephone sets. Until such time as the remaining ships are fitted the department has the ability to provide portable sets suitable for bridge to bridge communication, but not giving a full capability in ship to shore transmission in all parts of the river. We are working toward the introduction of a system of compulsory transmission of security calls at specified points as an additional aid to collision avoidance in the St. Lawrence.

The next question has to do with speed limits. Proposals which have been made to effect a general reduction of speed for vessels in these waters have been given careful consideration but, similar to other proposals for mandatory speed restriction to a fixed figure in conditions of limited visibility, the department feels that the extreme variety of ships and local conditions preclude formulation of such rigid rules, which, incidentally if they did exist, would be quite hard to enforce effectively. In a river such as the St. Lawrence the speed of each vessel is best governed individually through the advice of the local Canadian pilot to the ship's master. Although the relative speed of vessels in collision is a major factor in the seriousness of the resulting damage, a general reduction of speed for all ships in specified waters does not reduce the number of collision encounters requiring evasive action. The best aid to proper evasive action is preparedness for the encounter, which the department intends to provide by its traffic information service and

by promoting direct bridge to bridge communication between ships.

The next question has to do with manning and the scale of manning. It has been submitted, and the department has been seriously concerned with this aspect, that recent casualities have been caused by the lack of sufficient people aboard the ships. By regular inspections the officers of the department continue to enforce the provisions of the Canada Shipping Act requiring that every ship be sufficiently and efficiently manned. On the basis of studies made by the department the manning of ships is not held to be a contributing factor in the shipping casualties which have occurred in the St. Lawrence. Studies are continuing into the most effective employment of the men aboard ships and whether more formal requirements for watchkeeping duties should be laid down.

Because of the vast changes which are now being wrought in the shipping industry through the introduction of new and sophisticated methods of ship control, it would be inappropriate for the department to confirm manning standards which are based upon obsolescent concepts. What must now be done is to ensure that our studies keep pace with predictable trends in automation so that changes in manning can be anticipated and suitable provisions made.

The next question has to do with helmsmen. In respect of proposals which have been made to put Canadian helmsmen aboard foreign ships in pilotage waters, the department is satisfied that there have been no accidents attributable to a failure of communication between the pilot, the ship's officers and foreign crewmen at the ship's helm. It is preferable in narrow waters and here I am simply passing on the advice that has been given to me, to have a seaman who is thoroughly familiar with the handling characteristics of the ship rather than a local man put aboard a strange ship. Experience in steering is gained by the crew of a ship over a period of time in the open waters of the oceans before arrival in Canada and we cannot expect that a local man would require any less experience on each particular ship.

As to training, the training of Canadian seafarers is a matter about which the department has long been concerned, in the past by sponsoring nautical schools which the provincial governments now operate under the federal-provincial vocational training schemes.

[Mr. Pickersgill.]

Examination and certification of ships' officers and crewmen is conducted by the department and, based on the examination syllabi, guidance is given to the nautical schools in the matter of training programs.

We are waiting and still await, most impatiently I might say, because I have made some inquiries about this recently, the report of the Royal Commission on Pilotage, which was appointed by the previous government and which, I take it, must be doing a very thorough job, before turning attention to the problems inherent in the training and examination of pilots. In the wake of the vast changes in navigation techniques and current improvements in ship equipment, attendance at courses such as that for radar observer has been encouraged. This sort of training is especially necessary for those men who gained their qualifications before the general introduction of radar as a navigation and collision avoidance aid.

The department has under consideration a compulsory certification in radar observing for masters, mates and pilots, with periodic re-examination. But this, with the attendant increase in training facilities and administration, will be only a part of a long term project to keep certification standards for seafarers abreast of the times. For seamen there already exists the qualification as an A.B., able-bodied seaman, which some salt-water seamen have obtained. Work is progressing on a revision of the syllabus for this certificate so that men on our inland waters ships will be encouraged to improve their standing.

Qualification in marine emergency duties is another subject which the department has been anxious to see included in the syllabus of the nautical schools. This qualification would be open to all members of the crew. Extension of the training syllabus for lifeboatmen is another matter now under review and a revision of this certificate of qualification may be made in company with the other innovations under study. These are the department's proposals which will certainly be brought forward by the minister as soon as it has been determined that the proposals made are sound.

We propose to put forward amendments to the Canada Shipping Act with a view to extending to foreign ships in Canadian waters the requirement for reporting wreck, collision and accident. At the present time this requirement includes only Canadian and

other Commonwealth ships. The department is rapidly training a number of officers, competent in the nautical field, to investigate marine casualties and accidents aboard ship in order to provide a much wider exercise of the powers conferred by the act in respect of the enforcement of safety regulations. Legal officers of the department will be assisted by specialized teams so that where warranted the department can move swiftly to learn the immediate causes of accidents and take corrective measures.

• (3:40 p.m.)

I think it will be seen from the outline I have given that the most serious attention has been paid to this problem. Its gravity is certainly underlined by the record of accidents and the loss of life in these accidents, which I regret as much as the hon. member does, during the last navigation season. It should not be forgotten in this context that the volume of shipping is rising at a rapid rate. The situation in this respect is not very different from the situation on the highways. When the volume of shipping in narrow waters increases the prospect of accidents does not only increase arithmetically but more than arithmetically; opportunities for collision are more than arithmetically greater, as hon. members know.

One of the great problems in enforcing traffic control on these waters is that it is not as easy to have speed cops as it is on the roads. Nearly all effective controls have to be directed from the shore. It is also true that the weather has been a contributing factor in the case of most of these accidents. Here again we are constantly seeking to improve the meteorological service and to make the benefits of forecasting available to shipping on a better basis than has been possible in the past. A great deal of progress has been made in this field. Nevertheless, as the hon. member for Saint John-Albert and I well know, the fog often comes down when the weatherman has not predicted it.

Mr. Bell (Saint John-Albert): I do not know what the minister is talking about when he talks of fog.

Mr. Pickersgill: I can understand that, coming from the hon. gentleman.

The one controversial question is whether the law or the regulations made under the law should lay down conditions for the over-all manning of ships or whether the conditions laid down in this field should be selective. It has been the view of the department up to now that selective regulations devoted exclusively to the safety of the ship are better than over-all regulations governing every man who is to be on the ship. I have been informed—I may be wrong about this—that in the United Kingdom there is not in fact detailed legal regulation of the manning of ships and that apart from those regulations which are required for the safety of ships manning is generally and largely a matter of collective bargaining. But we are continuing to look at this matter. I am informed by those who have studied it carefully that the investigations into the accidents which have taken place so far have produced little or no evidence that undermanning as such has been the cause. In those cases where causes could be clearly ascertained the accidents were nearly always the result of other factors.

It is true that radar has developed rapidly and has become more sophisticated. Unfortunately there are many ships' officers and even pilots who received their certificates some time ago and may not have advanced their training as rapidly as would be desirable in order to make the best possible use of these modern devices. I can assure the hon. member that we are taking every possible action in this field as fast as we can be sure that what we do is going to improve the situation.

Mr. Howard: I should like to make a passing comment, if I may. I am very happy that the department is considering all these things. Every statement which the minister made about every aspect of difficulty was to the effect that the matter was under study, was being examined, and that it had been under study for many years. Somewhere along the line it is necessary to get out of the study stage and do something.

Mr. Pickersgill: I am sure the hon. gentleman does not want to be unfair. I told him we had in operation an experimental system along the shore between Montreal and Quebec using radios. We made radios available to those ships which did not already have them. I said they were required on all Canadian ships and that we were doing our best to have them installed on foreign ships using the channel where this could be done without undue interference with commerce. This is one of the points the hon. member raised. I also told him we were doing a practical study on the matter of two channels, and I do not think he would suggest we should consider letting contracts for something which might make the situation worse instead of better.

Mr. Howard: If the minister would not be so touchy and let me finish, perhaps we could deal with this question more rapidly. I say again I am happy that these matters are under study and consideration. What the minister told me was that the two items he mentioned were under study. He said that when he jumped up.

Mr. Pickersgill: They are in operation. The hon. gentleman is almost deliberately misrepresenting me.

Mr. Howard: I can understand the sensitivity of the minister in this field where he is vulnerable. But perhaps, Mr. Chairman, you would have him contain himself for a moment. Let us consider what happens in the confined space of the St. Lawrence River or in the larger space of the Gulf of St. Lawrence. Never mind the upper part which is probably correctly called the seaway. One ship travelling without radio communication facilities where there are other ships is like a car travelling without lights on a high speed highway at night. An experimental venture is not enough. If the minister is serious about the subject of radiotelephone communication between ships and a central traffic control system on shore, there must be compulsion and all ships must be required to use the radio communication system so that every ship may know where every other ship is. One ship without it is a liability.

Mr. Pickersgill: That is quite true.

Mr. Howard: The minister says that is quite true. To my mind, what he is doing in these experiments is just another form of study, another way of examining this question. Why does he not take the steps which he knows must be taken and make this a mandatory requirement, if it is considered to be a worth-while safety measure, which it is in my opinion and that of everyone else who has gone into this question?

• (3:50 p.m.)

The minister himself drew an analogy between travelling at sea and travelling on a highway. There is not any hesitation whatsoever by any provincial government or by any state of the union in the United States of America, if that is where proper jurisdiction lies, in saying that all cars travelling on highways at night must have their lights on, because they recognize it is a safety measure which is required in order to help preserve the lives of others. If the analogy is correct in the one sense I submit it is correct in the other and that one blind ship travelling on the system is a hindrance to all other ships that may be travelling there.

A radio and television aid to navigation system is operated in New York harbour which involves u.h.f., the ultra-high frequency band. The area of water through which ships travel is scanned by groups of television cameras and information is transmitted to a particular type of receiver on the ships so that each ship can see at any precise moment what is happening around it in the area through which it is travelling.

Radar can be very misleading when it is relied on alone, because there is a blind spot in its coverage. This blind spot depends on the size of the ship and the height of the radar antenna. The blind spot covers a radius of many hundreds of feet for which area nothing is shown on the radarscope and in foggy weather or when visibility is low because of rain or mist this blind spot area is most crucial and dangerous. Knowing that a ship is proceeding some distance away is all right but not knowing what is within a 500, 600 or 700 foot radius is most disconcerting. Radar cannot show that but radio communication between ships can pinpoint other vessels in the area.

Mr. Groos: I think you are getting out of your depth, Frank.

Mr. Howard: I do not have the experience at sea which the hon. member had. All I did was to travel about on a small fish boat, but perhaps my hon. friend with his great experience may be able to enlighten the committee and bring his knowledge about these matters to bear on the minister, which could be worth while.

Mr. Groos: I am satisfied with the answers he has given.

Mr. Howard: The hon. member may be satisfied with the answers the minister has given but I have been in this chamber long enough to know that the very kindly and genial Minister of Transport never says anything plainly. I have come to expect that I must always take what he says with a grain of salt because I find that he always leaves something to be desired. He sets out on a course, as he did a while ago, of using a superfluity of words to cover up a paucity of information, and I must congratulate him on the success he achieves. But what we are concerned about is not words, we are concerned about the lives of the people who sail

the ships. I take the minister's word that he is concerned about them but I wish he would do something instead of just talking about the matter and explaining the studies and examinations which are being conducted in his department.

What we need is some action. Speeches are cheap. They do not cost anything to make, especially when somebody else writes them for you. In passing may I say that this is the only time in my memory I have ever seen the minister read from a prepared text, and I assume it was prepared for him. Speeches which are written by others come cheaper than ones you write yourself.

Mr. Pickersgill: I am not so sure about that.

Mr. Howard: Please, Mr. Minister, do something worth while and concrete. Get cracking with your department. Snap them out of their lethargy. You know the way the civil service operates. You were in it yourself. It consists of professional status quo seekers. So long as things are not upset and everything runs along on an even keel, the keel they want things to run on, they are satisfied. There are very few progressives within the civil service structure primarily because the structure of a department itself suppresses progressives. As a former civil servant the minister will know exactly what I am talking about, but he broke out of the confines of the civil service some years ago and is now in another sphere.

I wish the minister would take to heart what I have said. Whether I am inside my depth or outside it does not matter. What matters are the lives of the people who sail the ships, and it is the minister's responsibility under the Canada Shipping Act to do something about the problem. All we ask him to do is act.

Mr. Pickersgill: I hope the hon. member will permit me just one second to say I made a mistake, as he pointed out and ridiculed me for doing. The other day I was sent a note giving the section of the act. I thought the note read "164" but the section I was referring to and should have given is section 114. I think this is the kind of mistake even ministers can make and apologize for.

Mr. Howard: I have only one comment to make. That is also what comes from reading speeches prepared by others.

Mr. Pickersgill: It was not a speech, it was a note.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I should like to call the minister's attention to another matter and I shall try to do it with less pettiness than the previous speaker, the hon. member for Skeena (Mr. Howard). After all, courtesy is always at home in the house.

Mr. Chairman, I should like the minister to make a statement regarding winter navigation on the St. Lawrence river. For several years, mention has been made of winter navigation on the St. Lawrence—I mean from Montreal to the Atlantic—and I feel it is time now that the Department of Transport take a stand on this matter.

Is it the intention to continue closing our eyes to this problem or does the Minister of Transport intend to make a decision some day on opening the St. Lawrence, one of the greatest waterways, to year-round navigation?

Has the Department of Transport a definite policy or will a decision be made soon? I am asking a short question and I hope the Minister of Transport (Mr. Pickersgill) can answer today.

If the Department of Transport does not want to make a decision on this question, could the Quebec government use its own icebreakers to keep winter navigation open on the St. Lawrence?

I think this is a direct question and I should like a statement from the minister on this matter.

[*English*]

Mr. Pickersgill: Mr. Chairman, it is quite easy for me to make a declaration but when I have made it I do not think the hon. gentleman will agree with the policy. However, I feel quite sure that the hon. member for Saint John-Albert, who is listening to me with undivided attention, will agree with what I say.

Up to the present it has been the view of the government of Canada that icebreaking activities on the St. Lawrence River in wintertime should not extend to any attempt to keep navigation open between Quebec and Montreal. But there is a great deal of icebreaking activity, as the hon. member knows, that has to go on between Quebec and Montreal in order to prevent flooding, of which, in spite of our best efforts, we have had some regrettable examples this winter at the east end of the island of Montreal and along the shores of the St. Lawrence.

I am happy to say that situation is a great deal better than it was and we have been able to keep the ferry open between the north

and south shore at Sorel. We also have to deal with the whole problem of the flow of the river itself. We regard that as a function which we must make the maximum effort to perform efficiently. I am not saying anything at all about whether it would be fair or unfair to the east coast ports, but the cost of ice-breaking to keep Montreal as a virtually ice-free harbour, or at least a useable harbour for 12 months of the year, has up to know been considered to be too heavy a charge on the taxpayers in relation to the advantage that there would be from the commerce that would result from it.

• (4:00 p.m.)

I feel quite sure that, in time and as methods improve this situation will require review. However, I do not know what the results of such a future review might be. I do hope we will reach the time very quickly when the ports of Halifax and Saint John will be so busy because of the great development in that part of Canada that they will not be concerned in the least about the traffic that comes from what they call Upper Canada and will not care if Montreal harbour is open 24 months of the year. At the present time we must realize that if the taxpayers' money is used freely to keep the St. Lawrence open to Montreal and these taxes continue to be collected in the cities of Saint John and Halifax and perhaps in some other ports that are kept open by nature, the people would feel that they had a real grievance. This involves one of the many problems we have in attempting to preserve a fair balance between various parts of Canada.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I should like to ask another very definite question. Can the minister tell us if an investigation was made, if studies were made to find out how much it would cost to keep the St. Lawrence channel open, by means of icebreakers, between Montreal and Quebec City? Can the minister tell us if studies were made to find out what the eventual volume of traffic would be on the St. Lawrence if navigation were maintained the year round? Can the minister give us the findings of that investigation with regard to the cost and the increase in traffic?

[*English*]

Mr. Pickersgill: I do not think there has been any really up to date study of this matter. There are a great many studies going on all the time and I will have to obtain advice in this regard before I can be sure of giving a correct answer to that question. I will look into the situation right away and reply to the hon. gentleman.

[*Translation*]

Mr. Grégoire: What surprises me is that the minister should tell us that the cost would be prohibitive, when he does not even know how much it would be exactly. In my opinion, that is characteristic of the mentality that prevails in this regard. It is not the cost which seems to bother or displease him. I feel it is not a matter of comparing the work done in the eastern ports of Halifax and Saint John but of finding out why the channel on the St. Lawrence is not kept open the year round, since we are having difficulty with the shipping of wheat.

Three weeks ago, a Russian ship had to help a Canadian ship ice-bound on the St. Lawrence near Montreal. The Russians are doing the work of the Canadian icebreakers in the Montreal harbour. That does not make sense.

The Russians get through, and many other European ships built for navigation through ice are already at work. One or two extra icebreakers would be needed to keep the river open.

The minister said it would cost too much, but he does not know how much.

I wonder if the minister is not doing anything about it because he is afraid of offending some people. It is not a question of taking anything away from the Maritimes but of helping the port of Montreal and other ports between Quebec and Montreal, including the ports of Sorel and Three Rivers, by opening the St. Lawrence to winter navigation. Would the federal Department of Transport object to the provincial government using its own icebreakers? Has the minister anything to say about that?

[*English*]

Mr. Pickersgill: So long as the government of the province of Quebec complied with the general laws of Canada in respect of navigation, which I am sure they would do if they had any ships, I know of nothing in the law which would prevent them from engaging in that kind of activity. I know of nothing in the law that would prevent any private company from doing so and, indeed, there are many private companies, as I am sure the hon. gentleman knows, which do own icebreakers or ships that are also icebreakers and are used in that way in their ordinary commerce. As a matter of fact, the department welcomes

that kind of activity because we have never been able to persuade the Minister of Finance and the Treasury Board to put up enough money to provide us with all the icebreakers we would like to have.

I am sure the hon. member for Saint John-Albert would agree with me that if there is not a study already in existence we should make a study of the costs and the benefits which would accrue. After all, the Atlantic Development Board did initiate a study of the disabilities that would be suffered by Halifax and Saint John if winter navigation took place on the St. Lawrence, and the taxpayers' money was used for that study. I am sure the hon. member for Saint John-Albert, like myself and the hon. member for Lapointe, likes the truth and we would all be very glad to have such a study made so that we would know what the cost would be and have the best possible estimate of the benefits. I will ascertain whether we have good information in that regard in our possession. If we do not have that information I will see whether we can get something under way to obtain it.

[*Translation*]

Mr. Grégoire: Could the minister tell us when this inquiry will begin, this study of winter navigation?

[*English*]

Mr. Pickersgill: That information may already exist but if it does not we will undertake to make such a study just as soon as we can find someone competent and obtain the necessary funds.

Mr. Bell (Saint John-Albert): Mr. Chairman, on the same subject—

The Chairman: Order, please. The Chair recognizes the hon. member for Trois-Rivières.

[*Translation*]

Mr. Mongrain: Mr. Chairman, I am very interested in this study, as well as in the comments of my colleague from Lapointe, because now there is in fact winter navigation up to Trois-Rivières. I repeat that there has been winter navigation in my region for several years and I have even had the opportunity to look into the matter in the last few years.

I also appeared in the city of Halifax on a televised forum with those in charge of the port of Halifax, at which time I tried to prove to them that winter navigation up to Trois-Rivières does in no way harm the Maritime ports but help to develop transportation by cargo-boat in all eastern Canada.

There are two points I want to make in connection with the remarks of my colleague, the hon. member for Lapointe (Mr. Grégoire), who advocates winter navigation as far as Montreal. Since I have been looking into this matter myself for seven or eight years, I am led to believe that winter navigation as far as Montreal is not yet economically feasible. He mentioned earlier that a Russian icebreaker went to the help of a Canadian ship, but if he reads the press reports, he will find that the Russian icebreaker was ice-bound itself.

Therefore, it seems impossible, from a practical point of view, that this problem could be overcome within a few years, which would justify a further study.

I should like to remind the hon. minister that there are ferry services at Quebec and Trois-Rivières that require the federal government icebreakers to keep the channel open the year round. No additional cost to the Department of Transport is involved in keeping the channel open since it must be done to maintain the service in operation.

Having said this, I claim that if navigation is open as far as Trois-Rivières, the Maritimes will not be deprived in any way, and at the proper time, I shall make public the results of the enquiry I am making. With the industrial development shaping up in the Trois-Rivières area due to the construction of Sidbec and related industries to follow, I say the Department of Transport should keep the channel freer still to allow navigation as far as Trois-Rivières. This will not cost more to the Canadian taxpayer and it will be a factor in the development of commercial and industrial shipping from Maritime ports up to Trois-Rivières. I repeat that I see no objection to opening the channel the year round as far as Montreal, but I feel this may be slightly premature, and I doubt that it can be done the year round.

• (4:10 p.m.)

[*English*]

The Chairman: The hon. member for Saint John-Albert.

Mr. Bell (Saint John-Albert): Mr. Chairman, I want to ask the minister whether he has been able to resolve a problem in which we are both interested. When an icebreaker, which is paid for by the Canadian taxpayers goes to break ice in the St. Lawrence in order to avoid flooding, why is it that the greatest coincidence in the world suddenly occurs,

namely, that there is a merchant ship right behind waiting to get into the port of Montreal. While the minister is thinking about that question and his answer I would simply say that I have resisted the opportunity to get into a wide-open debate on icebreaking because my thoughts on this subject are well known and have been expressed over many years.

The hon. member for Lapointe has spoken many times in the house on Quebec matters. I suppose that we can tolerate this but he had better be careful when he moves into this field and suggests things that will work to the detriment of the Maritimes. If he does so he will really get into trouble. The hon. member for Lapointe suggests that it might be all right to spend a little more money on the port of Montreal. When you consider the situation in Halifax and Saint John you realize that Montreal is not doing too badly now judging by the size of the Expo bill.

[*Translation*]

Mr. Grégoire: In this connection, I want to say that the threats of the hon. member for Saint John-Albert (Mr. Bell) do not scare me.

I am not pressing for winter navigation on the St. Lawrence to hurt the Maritimes or the port of Halifax. There is nothing wrong with the federal government spending as much as it sees fit to help the port of Halifax, but this should not prevent it from helping other ports.

The hon. member for Trois-Rivières (Mr. Mongrain) said earlier that he was in favour of winter navigation up to Trois-Rivières, but not any farther.

Why, Mr. Chairman—I ask my friend the member for Trois-Rivières (Mr. Mongrain)—why such parochial spirit, such regionalism, when Quebec as a whole is concerned in this matter, and winter navigation to Montreal will help the port of Trois-Rivières as well as that of Quebec City?

I come from Quebec, Mr. Chairman, and I do not ask that winter navigation stop at Quebec City; no, I am asking that the river be kept open to Montreal and, later on, to the lakehead if possible. I would be delighted, because that is progress: Improving the means of communication and transportation, especially the most economical, that is, waterways.

I am not asking that it should stop at Quebec City or at Trois-Rivières, but that it should go as far as Montreal, and, if possible, use the seaway to Toronto. That would contribute even more to the development of the whole country.

But, in the meantime, one thing can be done, that is to keep the St. Lawrence ice free as far as Montreal.

The minister tells us that he will have an investigation made. I hope it will not take too long, so that next year, when the centennial of confederation comes around, the study will at least be completed and it will be possible to take action, that is keep the channel ice free to allow year round navigation on the St. Lawrence.

Mr. Chairman, if the Minister of Transport will give me his attention for another minute, I would ask him to do the same kind of study and analysis about winter navigation on the Saguenay as far as Port Alfred.

I asked the same question when item No. 1 was being considered. I wonder if the Minister has any comments to make about winter navigation on the Saguenay. I see him nodding his head. He might have some remarks to make immediately, if not, I would ask him to tell us at least that the possibility of opening the harbour at Port Alfred the year round, will be studied.

[*English*]

Mr. Pickersgill: I intend to look into that question, Mr. Chairman.

Mr. Alkenbrack: Mr. Chairman, I do not intend to detain the committee very long. There are just three matters that I wish to bring to the attention of the minister and his department. A few minutes ago the minister said that he did not think he ever did anything gladly. I wish to refute that statement now, Mr. Chairman, and thank him for his co-operation in helping us in Prince Edward county to preserve the ancient remains of a venerated aid to navigation, namely, the False Ducks lighthouse. I think the minister must surely have done this gladly and I want to thank him.

Mr. Pickersgill: When did I say that I did not do anything gladly?

Mr. Alkenbrack: I wish to thank the minister for responding to the representations I made on behalf of the Prince Edward Historical Society because the president of that society, Mr. David Taylor, and his committee were determined to save the superstructure of that old lighthouse. It was the first lighthouse built on Lake Ontario and dates back to somewhere between 1825 and 1830. The

South Marysburg Historical Society is going to mount this portion of the building on the shore of the bay as a memorial to the mariners of Prince Edward county who have served in sailing ships and steamboats since 1785.

Under vote No. 5, Mr. Chairman, I would draw to the minister's attention the need for an aid to navigation in my area. Another old and venerable port is concerned here. We have heard quite a bit about the ports of the Maritimes and of the St. Lawrence estuary this afternoon. I now refer to the port of Bath, which dates back to 1785, situated on the Bay of Quinte. I have a communication here which emphasizes the need for an aid to navigation in this port. It is a letter from one of the councillors of Bath and I am sure the minister will heed this request. The letter reads:

> Would you please ask the Department of Transport officials to instal a water navigational marker buoy which has a light on it to mark the shoal out from the Village of Bath. This would replace the wooden spar buoy which is there now.
>
> Last evening there was a near tragedy here involving two local youths who struck the unlighted spar buoy with their new, expensive boat. The boat was badly damaged. I know of two other people who have collided with this buoy at night.
>
> The boat traffic has increased greatly in this area—

In this area of the Bay of Quinte:

> —in the past few years and I feel, in the interest of boating safety, this dangerous shoal should be marked with a lighted buoy. Please give this matter your earliest attention.

This letter is signed by Mr. Don Turner of Bath and I would assure the minister that I can vouch for the good opinion held of Mr. Turner. He is a member of the village council whose opinion is highly respected. I am sure the department will take action to remove this hazard to life and limb before the opening of navigation this spring.

• (4:20 p.m.)

The next matter with which I wish to deal under vote No. 5 concerns the item for canals administration, operation and maintenance. This question concerns the bridge over the Murray Canal which carries highway No. 33 from the mainland into Prince Edward County. The bridge is in Northumberland County and it is not within my constituency. However, it serves principally my constituency of Prince Edward-Lennox. This bridge over the Murray Canal which carries No. 33 highway does not have the capacity to carry heavy machinery and heavily loaded trucks such as are in use today. It is limited to light loads. I ask that the government instal a bridge of sufficient carrying capacity at that point. The present bridge is hampering the flow of commerce to and from Prince Edward County because it is at the western entrance to that county. I trust my request will be given careful consideration as soon as possible. I could be of assistance to the department in that connection in that I have some correspondence in my office pertaining to and supporting this request which I would gladly turn over to the department for their attention.

This is the full complement of items to which I wish to refer under this particular vote. Before I resume my seat, Mr. Chairman, I should like to take this opportunity to congratulate you on your elevation to your new position. I have not had that opportunity previously so I take it now.

Mr. Pickersgill: I should like to tell the hon. gentleman that I will look into all these points gladly.

Mr. Alkenbrack: Thank you, Mr. Chairman.

Mr. Langlois (Mégantic): I should like to ask the minister a question arising out of a statement he made a few minutes ago to the member for Lapointe. The hon. member inquired if it would be possible to have icebreakers on the St. Lawrence throughout the winter and the minister answered that it would be quite expensive, that he did not have the necessary money and he wished that the Minister of Finance would consider giving his department more money. Since the minister seemed to indicate that he had already asked for money for that purpose, would he tell the house how much it would cost? The hon. member for Lapointe asked that question but the minister did not answer. He probably forgot, and if he did I should like to give him the opportunity to answer now. How much would it take to maintain these icebreaking operations on the St. Lawrence throughout the winter?

Mr. Pickersgill: It would take a great deal more than just icebreakers to maintain continuous navigation on the St. Lawrence. The plain answer is that I was not able to tell the hon. member for Lapointe. If we do not have an adequate study of the matter now, I will have one as soon as I can get a competent person to do it and a little money to pay for it. Such a study should not cost a large amount of money.

Mr. Peters: I do not intend to say much about this item since it does not really affect

my riding, as the hon. member for Kootenay West has just informed me. I am concerned, Mr. Chairman, about the answers the minister has given to two or three questions. He indicated in reply to a question about safety on the St. Lawrence seaway and through to the head of the lakes that a survey has been under way and there has been considerable discussion about the aids to navigation that should be installed and how they can be applied. Another question related to a survey conducted into keeping the St. Lawrence open for navigation during the winter and the relationship to the economy of the Maritimes ports.

I am sure the minister has people in the galleries who know about these surveys. He has not had them on the floor with him even though he is permitted to do so to obtain the necessary advice. It seems to me that if the minister agrees that a survey should be conducted he is also going to have to agree that the results be published. If these results were available I am sure many hon. members would be interested in them and many of these questions could be eliminated. When these estimates are under discussion I feel it is extremely unsatisfactory to find that the results of such surveys as the one into the economic effects on the Maritimes of keeping the lower St. Lawrence open throughout the winter are not available. There are people in the galleries who can tell us about these things.

A number of very good questions have been asked and they probably could have been answered easily if the results of some of these surveys had been available. I am well aware of the fact that the minister has an extremely large department. I am well aware also that the department has many branches which are not really related. However, it may be possible for the minister to consider having these various branches publish reports on their various programs and these surveys. I am thinking particularly of the survey with regard to safety on the Great Lakes. I am sure every member in this house has received requests for information from people who have had various aspects of the matter brought to their attention by reason of knowing someone who works on the seaway and having heard about accidents taking place. Many of these hon. members are not so concerned that they want to know all the details of the programs but I suggest that the publishing of the survey results would be of help. I suggest, Mr. Chairman, that the discussion which has taken place thus far has been completely unsatisfactory.

[Mr. Peters.]

It has been unsatisfactory because we have not been able to get any answers. We undertake a survey at one time and when the estimates come up again we still have no results from the survey. I suggest to the minister that there should be reports published by the various branches of the Department of Transport and that they be tabled at the first of the year as many departmental reports are. This would give members an opportunity of being informed and perhaps avoid the necessity for questions.

Mr. Pickersgill: The studies with regard to the disabilities of the ports of Halifax and Saint John were made by the Atlantic Development Board. They have been published and to the best of my recollection they have been tabled in the house. I will get copies of them and send them to the hon. gentleman.

[*Translation*]

Mr. Grégoire: Mr. Chairman, item 5 now under discussion refers to canals coming under the Department of Transport.

I believe that this includes the Rideau canal, its locks and the Rideau river.

Mr. Chairman, you might point out that this matter is of no interest to my riding or to my province. True, it is in Ontario, but all the same, there is a beautiful river here in Ottawa, the Rideau river, a tourist attraction. A great number of tourists come from Montreal and the United States to the Rideau canal.

Mr. Chairman, I should like to put a question to the Minister of Transport (Mr. Pickersgill). He must he aware that at present, the locks—there are approximately 39 between the Chateau Laurier and Kingston—are open until 8.30 p.m. during July and August, and only until 5.30 p.m. during the other months of navigation, that is in May, June and September.

This means that if one wants to go for a cruise on the Rideau river, which is a strong tourist attraction it is virtually impossible to do so because one comes upon locks every five or six miles from Ottawa to Kingston; in fact, there are 40 of them on the 123-mile stretch.

I wonder whether the minister would be ready to consider opening the locks on the Rideau canal, from May 1 to the end of September, from 7.00 a.m. to 11.00 p.m.

Besides, I believe that the maintenance men on the Rideau canal are year-round employees and therefore the cost to the Department of Transport would not necessarily be much higher and it would favour an entire area in Ontario. As I am equally interested in the development of Ontario as in that of my province, I think the minister could easily agree with that request. Could the minister comment on this?

• (4:30 p.m.)

[*English*]

Mr. Pickersgill: I will be glad to look into the possibility of doing that.

Mr. Bell (Saint John-Albert): May I say to the minister that if there is any possibility that the hon. member for Lapointe might take one of these trips and not come back I am sure we would support his contention 100 per cent.

Mr. Herridge: Mr. Chairman, I want to interrupt only briefly because I see the deputy minister is now on the floor. A number of us have been wondering why the minister has not had the officials of each branch with him on the floor of the house. We can speed up the business if they are there to give answers to the minister to the questions raised.

Mr. Pickersgill: I appreciate this vote of confidence in the minister and I will see if I can get as many officials down here as I am allowed to have. I have been merely trying to speed up my estimates.

[*Translation*]

Mr. Grégoire: Mr. Chairman, with reference to the same matter, the minister tells us that he will look into the possibility of opening the locks until later hours. But the possibility is there; since they are opened during the day, it is possible.

Could the minister, after consulting with his officials, give us an answer on this before consideration of his estimates is concluded?

[*English*]

Mr. Pickersgill: I do not know whether I can make a decision about that, Mr. Chairman, before these estimates are passed. In fact, I hope I cannot. But I will certainly give the hon. gentleman a response on the estimates for next year. In any case it will be under those estimates that we will have to bear the expense.

Mr. Mongrain: Mr. Chairman, the hon. member for Lapointe made a few statements which I think left a wrong impression. He said that I am against opening the St. Lawrence River as far as Montreal. I am very sympathetic to that but what I actually said was that opening the river to Montreal is now prohibited. In any event I think it is too soon to do so.

I do want to repeat for the benefit of my hon. friend from Saint John-Albert that opening the St. Lawrence River as far as Trois-Rivières has been done for years and years. It has to be opened up on account of the ferry systems operating at Quebec and Trois-Rivières. There is no additional cost involved in keeping it open all year. It also enables us to benefit from winter navigation and it does not take anything away from the Maritimes.

Mr. Howard: I wonder whether the minister would mind telling me something I understood him to say a while ago that the department has always required ships to be manned with crews which are sufficient and efficient from the point of view of safety of life. They are the words which, as I recall, are in section 407 of the Act. Can the minister tell me how you determine what is a crew sufficient and efficient?

Mr. Pickersgill: Mr. Chairman, I am informed that the steamship inspector, who of course is qualified for the position or he would not be holding it, makes the determination on the basis of the kind of ship and the kind of operation in which it is engaged. It would be quite difficult, having regard to the great variety of ships that ply our waters, to set these categories down precisely in advance. However, the steamship inspectors are very experienced people and the responsibility under the statute is clearly upon them.

Mr. Howard: I gather the minister does not know then how to clarify what is meant by the words "efficient and sufficient" except by taking the interpretation of the individual steamship inspector and what is in his mind at the time he looks at a particular ship. Is that correct?

Mr. Pickersgill: I am informed, Mr. Chairman, that that is the way it is done.

Mr. Howard: Well, it seems to me a terribly sloppy way to do things.

Mr. Pickersgill: It is much the same, of course, as the way medical doctors treat us.

Mr. Howard: I think from that statement, Mr. Chairman, that the minister needs a medical doctor, preferably one in the field of

psychiatry. To leave it up to some individual, depending on the way he feels and his knowledge of the circumstances, to decide on the interpretation to be given to the words "a crew sufficient and efficient" from the point of view of safety of life is an asinine and sloppy way to approach things.

I am given to understand that this is a situation peculiar to Canada. Now that the minister has all these advisers in front of him and having consulted with the knowledgeable member for Victoria (B.C.) a while ago, can he tell me what is his intention with respect to developing regulations to determine manning levels on ships under section 410 (1) (n) of the Act?

Mr. Pickersgill: Mr. Chairman, I know it is very unwise of unlearned ministers to give legal advice to the house but as I read that section it does not make any provision for regulations to be made under it. The question whether there should be some general regulations with respect to manning is, as I indicated in the statement I gave a little while ago, under very active study. There are very experienced and competent people who have opposite views about this matter.

I may say that the only point of view from which this matter is regarded by the Department of Transport is from the point of view of safety of the ship and its crew. We do not think that the question of manning from the point of view of handling the cargo is a proper function of the Department of Transport. That is a proper matter for the owner of the ship and for collective bargaining with his employees.

So far as safety is concerned, if we are satisfied that precise prescriptions for the manning of ships will contribute substantially to safety we will ask parliament to provide the necessary authority to have those prescriptions made. But I suggest that even when that is done it will not be possible to put, either in the Act or in the regulations, a precise prescription for every conceivable type of vessel.

I may say that the hon. member for Victoria (B.C.) really knows something about this question. Unlike the hon gentleman and myself, who are just amateur sailors, he is a real professional, and I would be surprised if he would not agree with me that the House of Commons, or even the bureaucrats for whom the hon. gentleman has such contempt, would not be able to prescribe for every conceivable type of vessel precisely what complement each should have.

[Mr. Howard.]

Mr. Howard: It is too bad that the minister has to resort to calling the officials in front of him such nasty names. I did not. Could the minister tell me who it is who is making this particular study and who the two equally competent people are who hold divergent points of view about what should be done?

Mr. Pickersgill: The study is being made by the Department of Transport.

Mr. Howard: But by whom?

Mr. Pickersgill: I have to take the responsibility, and the abuse, for what is done. I have no intention of naming names of public servants. I am responsible for what they may produce and I will take the responsibility and the blame for it. Obviously I am going to take plenty from the hon. member for Skeena. I do not think that under our British system, defended so eloquently yesterday by the Leader of the Opposition, any other proper course can be taken by a minister.

• (4:40 p.m.)

Mr. McCleave: Mr. Chairman, at the risk of opening up the rich field of debate having to do with icebreaking operations I should like to direct a few comments to the Minister of Transport.

A few years ago I suggested in this committee that if the St. Lawrence ports had to bear the weight of the direct cost of the icebreaking operations in the St. Lawrence River during the whole winter this would tend to equalize the competitive factors between the St. Lawrence ports and the more distant ports of Halifax, and Saint John vis-à-vis carrying traffic into the competitive markets of central Canada.

Apparently that formula would not really work today because the conditions of operation in the St. Lawrence are such, if the minister is correct, that ships find it fairly easy to get in the wake of an icebreaker and so make their way up the St. Lawrence River to Montreal, Trois-Rivières or other points on that river. I suggest that we are tackling this problem in a rather negative fashion.

It is being made to appear that the ports on the St. Lawrence River are of greater interest than the ports of Halifax and Saint John. Undoubtedly this is true over all in the sense of competition but not true over all in the sense that we may be able to work out a formula whereby both may benefit. May I put two things to the minister. First, let us get the officials of this department working on the cost of supplying a proper icebreaking

service in the St. Lawrence River so that if year-round traffic is to be attained under any system of control, flood or otherwise, we will know what that cost is. Second, I hope that the minister and his officials will shortly look again at the reports coming out of the Maritimes as to the adverse factors that we face with regard to railway transportation in trying to be competitive with areas that are closer to the central and main markets of Canada. If we tackle this problem as one that has to be faced rather than one where you do not allow one area to have too much because this would seem to take away from another area, I think that this approach would be much better and healthier for Canadian development as a whole. It would also not leave us in the Maritimes in the rather invidious and unenviable position of seeming to be anti-Quebec and the people of Quebec seeming to be anti-Maritimes.

I would also refer to railway costs. I realize that strictly this is not germane but it is the other side of the equation. In this regard I would direct the minister's attention to what has been said recently by a professor of Dalhousie University.

Mr. Howard: Mr. Chairman, I wanted to follow up some points with the minister. I appreciate his concern about keeping secret some things that go on in his department because this allows him to keep secret some things that do not go on too well. With reference to the studies and examinations that are being undertaken can he, with respect to any one of them, tell me when he expects the study will be completed?

Mr. Pickersgill: The hon. gentleman was quite correct a few moments ago when he said that the answer I read to his first query had been prepared for me. It is our intention to consult with the various groups that we met at the Montreal meeting and with any other people who are interested with a view to seeking to reach an understanding about the priority in which these things should be proceeded with.

Mr. Howard: Can the minister say when this meeting will be?

Mr. Pickersgill: I hope to have it as soon as possible after the committee releases me. I am very grateful to the hon. gentleman for having the information put on *Hansard* so that in the meantime interested people will have a chance to read it.

Mr. Howard: If the minister is talking about the document from which he read, why is he thanking me? Is that the document he is talking about?

Mr. Pickersgill: That is right.

Mr. Howard: The minister thanks me for making it possible for him to put it on *Hansard.* I thought he would jump at the opportunity to take the initiative himself because of the importance of the matter.

Mr. Pickersgill: The hon. gentleman did not give me a chance.

Mr. Howard: I did not give him a chance? Surely, Mr. Chairman, the minister was champing at the bit the other night to get these estimates passed without discussion. Can the minister tell me what is being done with respect to lookouts on ships? As I understand from the letter that the deputy minister wrote, there is no requirement now to post a lookout. I think those were the words used. In other words, there is no person in the position of keeping a weather eye open for other ships. What is going to be done about that?

Mr. Pickersgill: I cannot give a final decision about that because it is one of the things on which we are going to consult those with whom we are to meet. This is one of the points on which there is a very sharp difference of opinion.

Mr. Howard: Yes, I can understand that. At the meeting that the minister has referred to which is going to take place, will there be a set agenda with particular points that the minister would like to have discussed or will it be a composite type of meeting embracing things which are already under consideration plus anything else that any other person may want to raise which may not have been dealt with before?

Mr. Pickersgill: I would say anything having regard to safety that any person directly concerned with this matter wants to raise will be raised.

Mr. Howard: May I mention another point to the minister. I understand that large numbers of sailors of French speaking origin are on some ships. I understand that under the Canada Shipping Act the regulations and documents which the ships are required to carry are in the English language only which makes it awkward for these sailors. That is the story as related to me. While on that subject may I also ask how many customs officers and steamship inspectors are bilingual in the area extending from west of Montreal down the river?

Mr. Pickersgill: May I point out that customs officers do not come under my jurisdiction. I should be very surprised if there were customs officers along the St. Lawrence who were not at least competent in French. They might not be so competent in English.

Mr. Howard: Could the minister answer the first part of my question?

Mr. Pickersgill: I am informed that the great majority of steamship inspectors are bilingual.

Mr. Howard: Can the minister answer the first part of the question dealing with Canada Shipping Act regulations being posted on ships in English only?

Mr. Pickersgill: I do not think, in spite of the fact that I have advice in front of me, that I can answer as to how the regulations are posted. Copies of the Canada Shipping Act and the regulations made thereunder are available in both languages. There is no question about that.

Item agreed to.

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 1965 in respect of the following services: Newfoundland ferry and terminals; Prince Edward Island car ferry and terminals; Yarmouth, N.S.-Bar Harbor, Maine, U.S.A., ferry service, $14,778,400.

• (4:50 p.m.)

Mr. Langlois (Mégantic): Mr. Chairman, may I make a few representations on Vote 15 to the minister concerning railway service between the cities of Sherbrooke and Quebec. It is a service owned by the Quebec Central and the Canadian Pacific. I am looking at item 15 and I have some doubts whether this will be in order.

Mr. Pickersgill: I think there was an understanding that the hon. member, having been good enough to allow the first item to go through last evening, could make his observations on one of the other votes. While it is true that this item does not directly relate to the particular railway I believe he has in mind, it does relate to railways and I hope the committee will give the hon. member its indulgence and allow him to make his observations on this vote.

[Mr. Howard.]

Some hon. Members: Agreed.

Mr. Langlois (Mégantic): There seems to be a fuss about the railway service between Sherbrooke and Quebec City. In fact there is only one train a day in either direction. The intention now, it appears, is to close down this service completely. Trains Nos. 1, 4 and 2 will be affected. So there is to be no passenger service at all between Quebec and Sherbrooke.

This affects close to three quarters of a million people living in the cities I have mentioned and in the various towns along the route, a distance of some 150 miles. Closing down this service, when one takes into consideration the other facilities existing in the region, is possibly the stupidest thing anyone could do. This is the only rail passenger service we have in the district between Sherbrooke and Quebec City.

The railway company claims it does not have sufficient passengers. Well, there is a damn good reason for that. Up to July 1, 1965, a one way ticket from Thetford Mines to Quebec City—Thetford is about half way between Sherbrooke and Quebec—cost $2.95. A return ticket cost $5.35. Now the fare is $3.85 one way and $7.70 return. This amounts to an increase of 90 cents on the one way journey and $2.35 on the return journey.

I do not have the cost of travelling directly from Quebec to Sherbrooke but I have the rate from Sherbrooke, to Thetford, the midway point. Up to July 1, 1965 it cost $2.75 one way and $4.95 return. The rates are now $3.60 one way and $7.20 return or $2.25 more on the return ticket. The railways say they cannot get enough passengers. That is not surprising. They used to offer a week end fare for students enabling them to travel between Quebec and Sherbrooke for $4.40 return. This rate has been abolished and the fare is $7.20 return. This is one good reason there are fewer passengers on that train.

Let me compare the rates charged by the C.N.R. on one train and by the C.P.R. on another. The C.N.R. rate from Sherbrooke to Montreal is $2.60. The other company charges $3.35 for the same journey. Furthermore there is only one connection, except on Sunday, which one can make to go to Montreal when travelling from Quebec via Sherbrooke to Montreal. It is necessary to stay over night in Sherbrooke and take the morning train to Montreal. That is the case except on Sunday night. I know this service. I have to use it to get here. I leave Thetford

Mines and get to Quebec City in the morning. It is only 300 miles but I arrive here at 9.30 at night because I have to cover more than 130 miles to catch a train in Quebec and then travel that mileage again along the north shore.

People do not take kindly to a policy of this kind. They do not take the train unless they are obliged to do so. I think this company does everything in its power not to get passengers. In the first place they cannot provide a decent sandwich. The sandwiches are not edible. I wonder how anyone can chew them and still digest them. I think they pick them up somewhere after they have gone stale. There is no coffee service. Sometimes travellers can get a Pepsi but the supply often runs out during the trip. Remember, people have to sit on this train for four hours.

Yet this is what the pamphlet calls a fast dayliner. That is ironic. It is 150 miles between Quebec and Sherbrooke but it takes this train four hours. The speed works out to 37½ miles an hour, slower than the first C.P.R. trains which steamed across Canada in 1885. Nevertheless there are representations from Sherbrooke, Quebec, Thetford and all the other towns along this line in favour of maintaining this service. It is the only one. It is still a necessity in this region. The company wants to close it down. It is doing everything in the book to prevent people using this service either by raising prices to a point at which people decide to take a bus or by other means. Compared with fares charged for comparable distances by the C.N.R. the C.P.R. rates are fantastic. People do not want to take the train when they are obliged to pay out such sums.

Yet on week ends the train is packed. Sometimes when I have taken it it has not been possible to find a place to sit down. I have seen people sitting on their suitcases. On week days passengers are few. If I did not have to take this train I certainly would not take it at such rates.

I believe the whole matter is now before the board. I should like the Minister of Transport to look into this matter and see whether there is not a possibility of lowering the fares charged and getting a better service on this train. At least let us have a decent sandwich or have the train stop at one station so that passengers can get a sandwich if they wish to do so. The journey takes four hours when the train is on time. I have known it to be an hour and a half late. What is the average speed then? I leave the minister to figure that out. It is not much better than it was in the horse and buggy days. This is the Quebec Central Line. In French we call it "Québec Centrale" and sometimes "Québec Sans Coeur". There is good reason to call it that in view of the service given on this train.

I believe the company is presenting arguments to the board in favour of abandoning the service because they have no passengers using the trains. They want to maintain the trains carrying merchandise and abolish the passenger train service. They are making money on the carriage of merchandise. In my opinion they should introduce policies which would attract the public to use these trains. This could be done by fixing reasonable fares and offering a decent service. If they were to do this maybe they would get more passengers. If the Quebec Central declines to do this, I should like the minister to take the necessary action to ensure that there is a train service such as the people of Sherbrooke and Quebec have a right to expect.

• (5:00 p.m.)

I would remind the minister that there are over three quarters of a million people in the area served by this train but all the company has provided is a dayliner, one car. The minister should make strong representations to the company to have this train service maintained and improved. The company should not be permitted to invoke the argument that it cannot attract passengers. The reason it does not get passengers is that it has raised the fares. If the fares are reduced there will be plenty of passengers. The company should also provide better sandwiches. At present a traveler is better off in a box car which carries cattle because at least the cattle are given water.

I believe this is the place to make representations in this matter. The minister should consider it seriously and request the company to maintain the service. It should also be speeded up. A speed of 37 miles an hour is not realistic in this day and age. It makes the journey too long. If the minister has any statement to make on this matter I should like to hear him now.

[*Translation*]

Mr. Gauthier: My position is about the same as that of the member for Megantic (Mr. Langlois). I had observations to make to the Minister of Transport on Item No. 1 and I

thank him for giving me the opportunity of making them now.

My case is almost identical to that of the member for Megantic with regard to Canadian National trains. I do not mean the Quebec Central, or "Quebec-sans-coeur", although I have known it for a long time, having travelled for nine years on the C.N. which runs in Roberval county.

I wish to draw the attention of the Minister to three points: the matter of security, the new plan for integration and the employees' protection.

With regard to security, the minister is undoubtedly aware of the situation, since I wrote him and since it is only a matter of changing locomotives during the two or three winter months. The letter I wrote the then minister of transport was returned to the board and, after that, I had to deal with fifteen offices before reaching the parties concerned. I was driven from pillar to post and ended up with the assistant superintendent and the superintendent. I was referred to Mr. Brunet about that matter and here is what I told him: I do not know if you are aware of this but I noticed a serious danger for the engineer and all the passengers.

Locomotive No. 3883 now being used is not suitable at all in the winter because of weather conditions. As a matter of fact, because of the snow, the engineer cannot see a thing for two or three miles. If there was an accident, the engineer would not even know about it, precisely because the snow covers the windows completely and the engineer is going ahead blindly.

Just think if an accident should happen in these circumstances? The engineer might be held responsible, but I assure you that I would be there, evidence in hand, because I always get the evidence—and the best way is to find out on the spot what is going on—and I would blame the C.N.R.

I am sure that the minister was not aware of the danger to which the passengers themselves were exposed when taking such a train. I made the trip myself with the engineers and the visibility was nil for four or five miles, and the train was going through level crossings. If an accident had happened, do you sincerely believe that you could have sworn in court that they had done all they could to avoid the accident?

We only asked to replace the first model with locomotive models 9300 or 9400 which take freight to Chibougamau.

[Mr. Gauthier.]

I think that the passengers deserve much more attention than the freight trains. Those trains are used to get the logs down to Chibougamau, and all we asked was that they be used for the protection of the public.

Here is Mr. Brunet's answer on January 21, 1966:

> Receipt is acknowledged of your letter of January 18 concerning the locomotives in use on our trains between Chambord and Dolbeau.
>
> In order to use the type of locomotive you suggest, we would have to make changes in the schedule of these trains and also change our operation in Dolbeau on certain days.

This may be one or two days. There are two locomotives of this type making the trip to Chibougamau. I quote:

> For the above reasons, I had to refer your request to our transportation superintendent, Mr. J. A. Boutin of Quebec.

Here is the answer of the superintendent. Apparently, it is the superintendent who rules on everything.

> I have your letter dated January 18, together with the enclosed copy of your letter to our representative Mr. Brunet, in Jonquière.
>
> I can assure you, Mr. Gauthier, that all the locomotives used on our system were approved by the Board of Transport Commissioners and meet all safety requirements.

Imagine such a statement by an office employee who does not go to check for himself. I saw for myself, accompanied by engineers.

> Locomotives of the type mentioned in your letter are used indifferently on our passenger or freight trains, from coast to coast—

It is obvious, if you go east, the weather is not the same as in Lake St. John. We have four feet of snow, while in Ottawa there are only seven or eight inches. It is quite another picture; they would not send those locomotives to Chibougamau. And Mr. Poitevin continued:

> —and in weather conditions which are sometimes very unfavourable, and every effort is made to guarantee the safety of those we have the pleasure to serve.
>
> I do want to assure you once again that safety is in no way endangered when our passenger trains are operated by the locomotives now in service between Chambord and Dolbeau.

• (5:10 p.m.)

I tell you sir, not on the basis of my figures but after making the run more than once with engineers, that Mr. Poitevin of Quebec City is wrong, that he said something he cannot prove, because he did not go and see for himself. In fact, we travelled more than five or six miles and we encountered two grade crossings; we realized that there was a car stuck in a snow bank and we nearly hit it.

This is to tell you that those people often make statements without checking first. That is really bad not only for the engineer but for all the passsengers who are not aware of the situation.

That is why, Mr. Chairman, I draw the minister's attention to this state of affairs. I am not going to ask you to inquire from Mr. Poitevin or Mr. Brunet, who both sit in their offices in Quebec and Jonquière, but check with the engineers who operate those locomotives. I cannot give their names because they would be fired. That is what is annoying at the C.N.R.; as soon as you try to identify the person who is responsible he is thrown out. That is why I shall give no names but I repeat that if ever an accident happens in winter on our track, I shall appear in court myself—and Parliament is now advised of this—to accuse the C.N.R. in a criminal action because what is taking place in our region is irresponsible.

The Transport Act is very clear on this: whenever an engineer cannot see, whenever visibility is nil or obstructed, he must stop. Well, there would be no traffic during three winter months, Mr. Chairman. That is why it was requested that, 9300 and 9400 locomotives, which offer perfect visibility, be provided for at least two or three months this winter.

Now—

Mr. Pickersgill: Mr. Chairman, may I make a suggestion to the hon. member? Here it is: when the committee on transport and communications is convened, members will have the management of the C.N.R. before them and, as far as questions of internal administration of the company are concerned, I believe it would be preferable to have a confrontation with Mr. Gordon and other officials of the company instead of sending me lots of letters. In that case, if I promise—and I do—to speak to Mr. Gordon about it, can the other items be allowed to stand so that consideration of my estimates can be completed today?

Mr. Gauthier: Very well, Mr. Chairman. That is exactly what I wanted to know, because after writing to you, I was referred to the Board of Transport Commissioners. Later I wrote to the Board and to Mr. Donald Gordon, who referred me to the assistant superintendent, as I just told you. And the decision is made by a junior official. I maintain that the decision is wrong. That is why I come to Parliament. I would even go to the Board but it is the Board which ordered Mr. Poitevin to make the final decision, and settled the matter inadequately.

That is why I must take the matter up again and I do it with the encouragement of all the organizations in my riding; chambers of commerce, municipal councils and other public bodies. That is why I call your attention to the fact that Parliament will have to take the matter in its own hands because strange things are going on in our riding with regard to the C.N.R.

The second point with which I want to deal—and I will try to be as brief as possible—is the new integration plan. The minister must be aware of that because I told him also about their new integration plan. The railway in the riding of Roberval is slowly disappearing. It took us 35 years to get a railway line to serve us, and now that the population is five times what it was then, they are trying to take it away. They are trying to remove everything to such an extent that we now have the integration plan.

I have it written down in detail. For instance, where there was a station master and three clerks, freight is no longer handled. There are only three clerks left at the station at Dolbeau; under the new plan, there will be a station master and a telegraph operator, that is all there will be at Dolbeau.

At Albanel there is a station master. They managed to get the staff down to one station master. And now, the station at Albanel, a farming center, will be closed.

At Normandin, the station has been closed although two large lumber companies are shipping lumber the year round.

At St. Félicien, the connection between Chibougamau and St. Félicien, there was a stationmaster, two telegraph operators and two clerks. Now, there are one stationmaster and two telegraph operators. Imagine what this will lead to. The express will be transferred, then removed. The express will stay at Chambord, to be distributed throughout the county by truck.

I wrote to Mr. Gordon in this connection on January 19. All he said in reply was this: "I have asked for information on this matter."

This proves that he does not know much about it either. That is what you get when you look for the responsible party.

Now, Mr. Chairman, let me say that I wrote to the minister in this connection and then, finally, to Mr. Poitevin. I do not want to read the whole letter, but I quoted an article

entitled "C.N.R. to centralize Lake services". They are not doing it only in Roberval county, because Lake St. John and Lapointe counties are next in line.

After reading about the new integration in the press and seeing it was the talk of the town, what did Mr. Poitevin have to say? This:

I thank you. Although I am the manager of this particular sector, it seems, on the face of it, that you know more about alleged changes to be made in our service . . . than I do".

Imagine, he starts by trying to make us look silly, because we know everything that is going to happen; he also wants to convince us that we know nothing and refuses to disclose anything.

At that time, I wrote to him about the express for Chambord. Tenders had already been called for from trucking companies for the transport of express, to pick it up in Chambord and deliver it in the whole Roberval county.

What will result from this, while we strive here to create employment? Eleven station employees will be laid off, more particularly the C.N.R. deliverymen who have been providing us with excellent service for 30 years at no cost to the railway. All those employees will no longer be serving the population. Mr. Chairman, after the express car is removed, the passenger service will simply be discontinued.

That is what they are aiming at they want to get a bus to transport us throughout the riding, by bus, by car, by anything.

After that, Mr. Poitevin came up to me and said that that was not the reason. He replied:

Those improvements were appreciated by the public as evidenced by our revenues.

Before that he said:

Let me however, bring a slight correction concerning the unfavourable remarks you formulated on the "service" item at the C.N.

I will have a word to say about the "service" item in a minute. He thought the service was perfect and to prove it he said:

For instance, our passenger revenues from the Saguenay-Lake St. John area have increased by 28 per cent—

There is talk of a 28 per cent increase and taking off the express car and cancelling the passenger service next summer or perhaps next autumn. They say there has been a 28 per cent increase in spite of the poor service and I repeat, in spite of the poor service provided. A service very much like that of the Quebec Central mentioned earlier by the member for Mégantic; we cannot go above 35 or 40 miles per hour on our line.

I remember one time when a somewhat too eager mechanic decided to arrive on time, because on our line we used to say: C.N.R. means let's be late. Because we are always late. But that mechanic wanted to be on time and he went over 40 miles an hour. Mr. Chairman, we almost left the track. That goes to show the improvements in our region.

And they complain that people do not travel. People travel, trains are full of them, but when you want a coach or a sleeping-car, there are none. And due to the fact that there are no cars, people are packed like sardines; when the passengers get off the train on the platform at the Dolbeau station many of them, and ladies in particular, say: "They caught me this time but they will never catch me again".

Mr. Chairman, I simply wanted to call your attention to that matter of service. There was a service at the Chambord station, a few years ago. You remember, Mr. Chairman, that a beautiful new station was built, with a spacious waiting room, and a restaurant-lunch counter separated from the waiting room.

Do you know what has been done? During winter, they closed the lunch counter. And there you have the whole waiting room, but the two large beautiful glazed doors are locked and the seats are still at the counter; everything is there, but the place is empty, it is locked.

Three small Quebec inspectors came because down our way they do not come one by one, they come three at once, not just one inspector, a man alone but three inspectors from Quebec or Montreal to close the lunch counter.

• (5:20 p.m.)

[*English*]

Mr. Cantelon: Mr. Chairman, I rise on a question of privilege. We are now supposed to be discussing item 15b and I confess that this discussion of meals and difficulties in running a railway passenger service seem to me to be a long way from the topic at hand. I think we are all agreed that we would like to see these estimates finally passed and I confess that I find it difficult to understand how we are ever going to get them through if such small matters as these are brought to the attention of the committee.

[*Translation*]

Mr. Caouette: Mr. Chairman, I might say that the hon. member who just raised a point

of order should admit that the members of his group are the ones responsible for the lengthening of this debate on the Department of Transport estimates.

It had been understood yesterday, when we agreed to pass item No. 1, that some of our people would have an opportunity to make some remarks on certain items, and that is exactly what the hon. member for Roberval did just now. Since this hon. member has only a few more seconds to go, I believe we should recognize the agreement that was reached yesterday after the minister himself had suggested it, that is to allow the member for Mégantic and the member for Roberval to make their comments.

Mr. Gauthier: Mr. Chairman, I will not be long now. Besides, there is no basis to the point of order, because I was given permission by the chair.

Therefore, I simply come back for a second on the subject of that famous lunch counter. Everything was locked. And because passengers must often wait two to three hours in the station, the attendant has to come and sell coffee, sandwiches, cigarettes, and everything is spread in the waiting room; instead of eating at the counter, people eat on benches and on window sills. Believe me, it looks bright indeed.

I ask the minister to order that a telephone call be made to Mr. Poitevin so that at least that room is opened and people can eat. It is simply ridiculous because nothing is served on the train. Passengers must eat there before leaving because sometimes they spend two and a half, three and even four hours aboard the train and they would at least have a chance of having their breakfast. But there is nothing at this time, not even a counter. Passengers must manage as they can. What we want is that the doors be opened. The doors are there, let them be opened and let everybody have a chance to eat.

Now a word about the safety of employees. Everything is done to discourage the staff; there seems to be an agreement in that connection. Where two men would be needed, they place only one. In Ontario the contrary is true. I was talking with people from Ontirao and they told me: "As far as we are concerned, the C.N.R. place two men where one is needed in Ontario". While in our case, where two men are needed they place only one. But instead of sending only one inspector, they send three. There are many inspectors in my constituency: three for each man.

Everything was done to discourage the employees. There was the famous manager's commission on the express, which encouraged him to open the station, even on Sunday. That commission made it up to him somewhat, but now he does not get anything; everything was taken from him and he is paid a very low salary.

What happens now? The stations are closed on Sunday morning. Can you imagine stepping down onto the platform at Dolbeau, for instance, in a snow-storm, when everything is closed. You stay on the platform. The nearest taxi stand is three quarters of a mile away and the train is an hour and a half late. That is not interesting. It is not because we live in a remote area that we should be given that kind of service; the C.N.R. gets enough revenue from our region. If only they lost money.

For instance, about the shipping of freight, there is all the shipping from Chibougamau, which comes down from Chibougamau; there is the Domtar company, at Dolbeau, which supplies five or six cars full of newsprint each worth $400.

There are all those secondary industries at Dolbeau, Normandin and St. Félicien de Roberval which ship lumber. Go around our region and you will see that the C.N.R. gets more than a million dollars a year out of it. And, in spite of all that, we cannot even get a little train to travel comfortably at least.

Mr. Chairman, I do not want to delay the house any longer. I hope that those remarks will enable the minister to meet the parties concerned and to discuss everything frankly with them, because he will soon be knee-deep in requests; they are coming from all the chambers of commerce, municipal councils, city councils, companies and I hope he will consider their representations and give us justice.

[*English*]

The Chairman: Shall vote No. 15 carry?

Some hon. Members: Carried.

[*Translation*]

Mr. Caouette: Mr. Chairman, I merely wish to ask a question of the hon. minister. I am not going to make a speech at this time, as it would not be very appropriate

We would like the estimates to be passed as soon as possible. I would like to know whether it would be possible for the minister to make representations with the authorities concerned so that we may get a sleeper and a diner as soon as possible on the Montreal, Ottawa, North Bay, Rouyn, Noranda line?

[*English*]

Mr. Pickersgill: I will make inquiries.

Mr. Langlois (Mégantic): Mr. Chairman, I should like to ask the minister whether he is going to take into consideration the matter concerning the Quebec Central Railway that I mentioned a while ago. Is the minister going to look into the matter and discuss with the company whether it is possible to maintain the train service to which I referred?

Mr. Pickersgill: I will be glad to make representations, Mr. Chairman, although if the matter is now before the board I probably could not intervene while it is before them. But the hon. member will have an opportunity as a member of the house, whether or not he is a member of the committee, when the C.P.R. management are before the committee, because I believe the Quebec Central is owned by the C.P.R., to ask questions directly of the management. I think that would be a wise thing for him to do.

• (5:30 p.m.)

The Chairman: The hon. member for Compton-Frontenac.

[*Translation*]

Mr. Latulippe: Mr. Chairman, I should like to direct a question to the Minister and make some remarks concerning my constituency. My constituency is just about in the same position as that of Megantic with respect to fares and level crossings.

In connection with fares, for instance, the return trip from Megantic to Montreal cost $9.80 in 1963, whereas it amounts to $17.60 today. Now, the company intends to curtail the train service, alleging that it is not profitable, that deficits are incurred. The one-way railway fare to Montreal is terribly expensive, that is $8.80 as compared to $5.75 for bus fare.

This difference is considerable and my constituents have made many representations to me in that connection. They want to know from the minister if it would not be possible to adjust those rates, so that the people can use railways, because trains are very useful in my county.

In my riding, the C.P.R. branch line crosses the national highway six times within two miles. This occasions many delays for the citizens of Mégantic and there are many accidents at those railway crossings.

The city of Mégantic has several projects to submit to the Board of Transport Commissioners. I ask the minister whether it would not be possible for him, since Mégantic has a population of 8,000 inhabitants, to come to an understanding with the Minister of Public Works (Mr. McIlraith), so that the city might remove those level crossings under the winter works program.

I think that carrying out winter works involves unnecessary expenditures. There is a waste of money. From 75 to 95 per cent of the expenditures are made on useless projects, when there are so many worthwhile things to be done. A study should be made of those level crossings. Overpasses should be built above the railways. If the minister would make arrangements with the Minister of Public Works, such works could be carried out in my riding and throughout Canada under the winter works program.

That is what I had to say to the hon. minister on this question.

Now, Mr. Chairman, these level crossings are a source of inconvenience for our area. We need the trains. We need the C.P.R. We need transportation. On the other hand, serious inconveniences to our municipality and surrounding municipalities result from the C.P.R. and C.N.R. level crossings.

I ask the hon. minister if there is not some way to vote an appropriation to eliminate level crossings.

I wish to point out to the minister that, according to statistics published in the newspaper *Le Devoir,* from 1909 to 1962 the province of Quebec only received $8,777,326, or 14 per cent of the budget, while Ontario received $31,959,068, or 50.8 per cent of the national budget for level crossings. The province of Quebec did not receive its share of the subsidies allocated for level crossings.

I ask the minister to examine these statistics and to show more fairness towards the province of Quebec. That is what I wanted to say on this subject.

[*English*]

Mr. Pickersgill: I shall be glad to talk this matter over with the hon. gentleman and see what we can do if he will come to see me after we completed these estimates.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I wish to put only one question about a subject I raised during the study of item 1. The minister should give me an answer.

Is it the intention of the Minister of Transport to look into the possibility of improving the railroad between Montreal, Jonquière and Chicoutimi as soon as possible?

[*English*]

Mr. Pickersgill: I will do my very best to make the most favourable representations I can.

Item agreed to.

20. Construction or acquisition of buildings, works and land, dock and terminal facilities, 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, $20,065,600.

[*Translation*]

Mr. Caouette: Mr. Chairman, I should like to put one question only concerning item 20 with regard to construction of buildings, terminal facilities, etc.

The minister is aware that we have in Rouyn-Noranda three railway stations: an O.N.R. station in Rouyn-Noranda, an O.N.R. station in Noranda, and a Canadian National station in Noranda. Is the department considering a project to set up a union station which might be called "Rouyn-Noranda"? There would be one station only to serve the people over there. This station would eliminate grade crossings in Rouyn and in Noranda.

[*English*]

Mr. Pickersgill: I shall be glad to look into that question right away.

Item agreed to.

25b. Payments in respect of Maritime Freight Rates Act and for supplemental pension allowances to railway employees—To extend the purposes of Transport Vote 25 of the Main Estimates for 1965-66 to include payments to provinces as contributions, as detailed in the estimates, to assist highway construction related to the abandonment of railway branch lines, $1,250,000.

Mr. Cantelon: This vote relates to the construction or rebuilding of the Moncton-Buctouche highway which is related to the abandonment of the Canadian National Buctouche branch line. I should like to know, first of all, if special circumstances obtained which enabled the government to make this particular grant toward the building of a highway to take the place of the railway. Second, is it general policy and will this policy be applied to other abandonments? These are rather general questions but I hope the minister has some answers.

Mr. Pickersgill: I wonder if I could give a very brief answer now and then undertake to discuss the matter at greater length on my estimates for the coming year or at any other time? The brief answer is that this particular branch line was losing a lot of money annually but it was serving a community. It seemed to the government that rather than throw away a lot of money in annual losses, if we could capitalize the losses and allow part of the saving for the building of the road and take part of the saving for the treasury, everybody would be better off. I should like to elaborate a bit on that on another occasion because I think the principle can be applied elsewhere and I am happy to say my colleagues agree with me.

Item agreed to.

Air Services—

30. Administration, operation and maintenance including the administration of the Aeronautics Act and regulations issued thereunder, the administration of the Radio Act and regulations issued thereunder, Canada's share of the costs of the international radio, telegraph and telephone organizations listed in the details of the estimates, Canada's assessment for membership in the World Meteorological Organization, $110,000 for grants in aid of meteorological research in Canadian universities and Canada's share of the cost of the World meteorological Organization symposium on design of hydrometeorological networks, $97,637,700.

Mr. MacRae: I should like to draw the attention of the minister to a matter pertaining to a class of employees in his department known as radio operators. Perhaps the minister, or his deputy who is advising him, is familiar with this category so I will not need to go into too much detail. Briefly, the situation is that in 1962-63 the Civil Service Association of Canada submitted to the Department of Transport and the Civil Service Commission reasons for a better and more realistic career program for radio operators.

The minister will be glad to know that the fault from this point on does not lie with his department. Following the normal procedure the Department of Transport submitted their recommendation to the Civil Service Commission, but unfortunately the Commission did not agree. Nothing has been done for this particular class of employee since that time, as I understand it. The end result, Mr. Chairman, has been that the department has experienced an acute shortage of this type of employee.

• (5:40 p.m.)

Because of inadequate wages and lack of opportunity for promotion and advancement too many radio operators, I understand, are leaving the department and it is difficult to recruit and train people in this particular category. Promotions have been held back

because of the shortage, and even the vacation schedules have been cancelled. As I understand it, the morale of this group is very low.

The total salary paid this class of employee reaches a peak of $408 a month, which seems to me to be too low at this particular time. The recommendation that these people have made to me as their representative, and I am sure it has been made to others, is that the minister should look at the matter and see whether something can be done for this particular type of employee. I have every confidence that the minister will do so at the earliest opportunity.

Mr. Pickersgill: This is one speech I am really grateful for, Mr. Chairman, and I think it is going to help the minister.

Mr. Walker: Mr. Chairman, the minister may be relieved to know I am not going to talk about sandwiches, ham or bologna, although my subject may be a little indigestible. I want to thank him now for the efforts he made last year in connection with this problem but I want to bring it to his attention again. I refer to the problem of public transportation by way of limousine service to and from Malton airport in Toronto. This same problem may hold true, of course, at other airports with regard to the service which is given the public.

I use this airport a great deal, as do other Toronto members. I bring the matter to the attention of the minister particularly at this time because I know he used his good offices last year to try to bring some solution forward from the negotiations between the people who now hold the contract for transporting customers to and from the airport and the metro Toronto taxicab association.

The problem is simply this, and I think it is more severe now than it was when the matter was brought up a year ago. Taxicabs are not allowed to pick up passengers at the airport. This means they have to return empty to the city. This may seem like a small matter but with increasing air traffic the limousine service, particularly at Toronto airport, has proved incapable of moving air passengers at the speed at which I think they should be moved. I think it is rather a demeaning chore for our Royal Canadian Mounted Police to wave off taxicabs which, having discharged a passenger, have to pass empty by the crowds of people waiting for limousines.

[Mr. MacRae.]

I know that the limousine company has performed a service, but a point which should be raised at this time is that it operates on the basis of area fares. In my own particular area the area rate from the airport to Yonge and Eglinton, as I recall it, is $5.50. When I grab a cab to go from my residence to the airport I always have the cab meter put on and the rate is $4.50. I think this should be some consideration and it may be that these figures may be helpful to the minister when he is talking to the limousine people.

I bring the matter up again at this time because this situation still exists. Actually it has worsened since the minister attempted to do something about it last year. I think at that time a compromise suggestion was made that perhaps a stand for six or even eight cabs at the airport would provide a very good public service and possibly lead to a reduction in rates.

I would ask the minister to use his good offices in an effort once more to see whether he or the airport can provide, through the use of a limited number of taxicabs, better service for passengers who are now having to wait for some time before they can get transportation from the airport.

Mr. Muir (Lisgar): I should like to draw the attention of the minister to a situation at Winnipeg airport. I think the minister arrives at Winnipeg often enough to know that when you deplane from an arriving aircraft you have to proceed to the second floor by staircase. This makes things particularly difficult for older people. If you are arriving at the airport to catch a plane you can take an escalator up but when you arrive at Winnipeg you have to walk up the stairs carrying bags and so forth.

I hope the minister will take a look at this and see whether it is possible to instal escalators for the use of people arriving at the airport. Naturally this is one of the airports I use quite often and I have noticed on several occasions elderly people particularly, who perhaps have heart conditions or other ailments, having to climb these steep stairs to get to the second floor so that they can get down to the ground level on the other side. This seems a ridiculous sort of situation. I hope the minister will give careful consideration to the installation of at least one escalator which can be used by people who are not supposed to climb stairs.

Mr. Churchill: Mr. Chairman, I might say that this would repair in part the damage the

minister has done to Winnipeg by his faulty commitment with regard to the Winnipeg-Chicago route and he might even make one or two friends.

[*Translation*]

Mr. Langlois (Mégantic): Mr. Chairman, I should like to know if it is section 30 which deals with broadcasting. This concerns necessarily section 30, and if the minister is agreeable, I am going to discuss it at once.

[*English*]

I want to speak on the subject of radio broadcasting, Mr. Chairman, and I was just asking the minister whether that subject would come under item 30.

Mr. Pickersgill: Not unless the hon. gentleman wants to speak only about the technical side of licensing. If it is any other aspect of broadcasting he should speak on the estimates of the Secretary of State, not on mine.

Mr. Langlois (Mégantic): Licensing is under the minister's jurisdiction.

Mr. Pickersgill: It depends on the particular aspect of licensing. On licensing in general the B.B.G. reports to the Secretary of State, so I would think that what the hon. member wants to bring up would be more appropriate to that department.

Mr. Langlois (Mégantic): It will not take me very long to deal with this matter. If the minister judges that it is a matter for the Secretary of State to answer I will leave it at that and bring up the problem again before the Secretary of State. What I have in mind is this peculiar situation which exists in regard to small, local radio broadcasting stations. They have a permit to operate during the daytime on, say, 1,000 watts but at sundown they reduce their power to a lower wattage.

Mr. Pickersgill: If the hon. gentleman will permit me, I think that is definitely a matter which would be within the purview of the Board of Broadcast Governors. If the hon. gentleman would agree, I think it would be preferable to bring that matter up when the hon. lady's estimates are before the committee.

Mr. Langlois (Mégantic): I will do that.

• (5:50 p.m.)

Mr. Hales: I have a few observations to make to the minister. May I first ask him if the department has made any progress toward setting up an examination board under the Aeronautics Act, similar to that set up in the United States whereby a pilot who has suffered some physical ailment and has recovered has to undergo a doctor's examination and be O.K.'d by him. That has to be done before he receives his pilot's licence again. Second, may I ask a question having to do with community antenna television. I do not know whether to address it to the minister at this time but I should like to know what steps he proposes to take and whether this will be placed under the control of the Board of Broadcast Governors.

Mr. Pickersgill: The answer to the first question is yes. Steps have been taken and I understand that the appropriate body should meet tomorrow. The answer to the second question, if the hon. gentleman would grant us his indulgence, is that I do not think that the situation is going to be changed, but he will have an opportunity to inquire into it under my next set of estimates.

Mr. Danforth: I should like to seek from the minister some suggestions or advice. I am not sure whether he can be of direct assistance in this matter. If he cannot assist us, then I hope that he or the members of his department can direct me to the appropriate channels. My inquiry has to do with weather reports and weather broadcasting. In our area we receive weather reports from the airports at London and Windsor. Under the direction of the local Federation of Agriculture and of Mr. Harold Smith of the radio station, who is also farm editor, a drive has been inaugurated because of the intensive farming in that area to have much more complete and comprehensive weather coverage. Because of that farming we need comprehensive weather coverage. My purpose in interceding on this particular vote is to request from the minister information as to what approaches may be made to have weather broadcasts with respect to the particular areas involved and as to what facilities may be sought along this line. The minister need not answer me now. If he wishes to take note of what I have said and let me know at an appropriate time it will be appreciated.

Mr. Pickersgill: I should like to write to the hon. gentleman, if I may, after I have made inquiries.

Mr. Schreyer: May I put to the minister a question relating to the construction and hard surfacing of airport runways at the Winnipeg satellite airport of St. Andrew's. I should like to ask the minister if that question would

arise under this item or would he prefer that I put the question under another item?

Mr. Pickersgill: It should be, I believe, under the next item.

Mr. Groos: Mr. Chairman, I want to ask one short question of the minister. I am not sure whether this is the appropriate vote on which to ask the minister this question but I am concerned with the problem of the definition of an air-cushion vehicle. It is my understanding that in recent weeks a decision has been given by, I am told, the Department of Justice with regard to air-cushion vehicles which are known to the general public as hovercraft.

The Department of Justice has designated it as an aircraft. The definition poses some difficulties because this vessel, if one may call it a vessel, is completely new in conception. It is a completely new form of transportation. It is neither ship nor aircraft but something in between which requires a solid surface two or three feet beneath it in order to operate. I am given to understand that by categorizing this craft as an aircraft considerable difficulties will be caused in the development of this particular type of machinery, if I may call it that, or this particular method of transportation which could have very great benefits for our country.

I am wondering if the minister is planning to take up this matter with the Department of Justice? I think that this type of vessel could be better designated by the Deparment of Transport marine services if it were classified as a hover craft or an air-cushion vehicle with characteristics more akin to those of a ship than those of an aircraft.

Mr. Pickersgill: We are discussing this matter with the Department of Justice but I am afraid that we have not reached any conclusion yet.

Mr. Brand: Mr. Chairman, I notice under an item in vote 30 mention of the operation and maintenance of airports and other ground services. We have an airport in the constituency I have the honour to represent, the constituency of Saskatoon, and it is a large airport with a jet runway. For several years now we have been assured that, since we have the runway and the facilities, and certainly we have the passengers, jet aircraft would be stopping at our city. However, I was disappointed to notice in *Hansard* yesterday, as I mentioned in my question today, that the short range DC-9 jet aircraft are not going to be stopping in the province of Saskatchewan. I should like from the minister some assurance—

Mr. Pickersgill: I am sure that the hon. member will have noticed that that only applies to the period up to July 1.

Mr. Brand: I believe, sir, that if I read the announcement correctly it was to the effect that this would be so for this year but that it might be changed in subsequent years when further aircraft become available. It did not say up to July 1 as I read it in *Hansard* of yesterday.

I should like some assurance, sir, that efforts will be made very soon indeed to see that DC-9 service is provided to our province and to our city because we are becoming more industrialized. Mineral developments are certainly beginning to expand, and in that regard I refer to potash. We have tremendous numbers of people coming into the province. We do not have the facilities there that we think we should have. I think it is essential, since we have been promised a short range jet service for three years, to have that service. Frankly, sir, I should like your assurance that as soon as possible you will see that we in Saskatchewan will no longer be a have-not province. I assure you, sir, that we are not the poor country cousins we were a few years ago.

May I call it six o'clock?

Mr. Pickersgill: I will give that representation the most "liberal" consideration that I can, sir.

Mr. Brand: Thank you, sir.

Item agreed to.

[*Translation*]

Mr. Latulippe: I should like to say a few words with regard to airports. Is it the minister's intention to set up a regional policy—

Mr. Chairman: I am sorry to interrupt the hon. member but it is now six o'clock.

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Deputy Speaker: It is my duty in conformity with standing order 39A, to inform the house that the following questions will be discussed on the adjournment motion tonight: The hon. member for Okanagan-

Revelstoke (Mr. Johnston), Immigration —reported increase in applications from Rumania; the hon. member for Waterloo South (Mr. Saltsman), Post Office Department—steps to overcome loss on second class mail; the hon. member for Lotbinière (Mr. Choquette), municipal development loan fund—inquiry as to extension of period.

• (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 motion for papers, private bills and public bills.

MOTION FOR PAPERS

MR. JUSTICE LANDREVILLE

The house resumed from Thursday, February 3 consideration of the motion of Mr. Bell (Carleton):

That an order of the house do issue for a copy of all reports, briefs or other documents of communications received by the Minister of Justice, the Solicitor-General or the Department of Justice from the Law Society of Upper Canada relating to Mr. Justice Leo Landreville; all replies made to any such reports, briefs or other documents or communications; all letters or other communications addressed by the Minister of Justice, the Solicitor-General or any officer of the Department of Justice, since the 1st day of January 1964 to Mr. Justice Leo Landreville; all replies made by Mr. Justice Leo Landreville or by any solicitor or agent on his behalf to any such letters or other communications.

Mr. Ralph Cowan (York-Humber): Mr. Speaker, in rising to support the motion of the hon. member for Carleton (Mr. Bell) I should like to preface my remarks by stating that I am a little anxious as to how to proceed. I notice that those who have opposed the motion of the hon. member for Carleton have used a ploy commonly adopted by those who have a weak case. They have referred to matters outside the scope of the question.

I have in my hand the debates of the House of Commons for February 3. I notice that the Minister of Justice (Mr. Cardin) referred to the fact that the hon. member for Carleton speaks loudly and fast. I hope I am not speaking too loudly or too fast for members of the house. Then the hon. member for Quebec-Montmorency (Mr. Laflamme), supporting the Minister of Justice, said he did not like the tone of voice used by the hon. member for Carleton. Again, on page 675, we find the hon. member for Verdun (Mr. Mackasey) objecting to the belligerency of the hon. member for Carleton. Mr. Speaker, if I go too fast or speak too loudly or appear too belligerent, or if members do not like the tone of my voice, please let me know and I will try to accommodate myself so as to meet the wishes of those who would otherwise raise objections so as to try to deny to other members of the House of Commons the privileges which are their right.

I have strong feelings on this question of the cabinet laying this message from the benchers of the Law Society of Upper Canada on the table. I have been elected to this house on three occasions. On the first and second occasions of entering parliament I was not sworn in until the day parliament opened. But on the third occasion, after the election of November, 1965, I made a special trip to Ottawa early in December because I felt then, as I feel now, that the cabinet is making a mistake in refusing to table for the benefit of members of the House of Commons a letter they have received from the benchers of the Upper Canada Law Society. I was sworn in by the Clerk of the House on December 6 and the moment I had signed the roll I asked him how I could make a motion for the production of this paper from the benchers of the law society. He directed me to another official. I went to his office and prepared the necessary papers. That was in December.

I should like to advise hon. members that when I came to the house on January 18 I found that my motion for the production of the benchers' missive had not been placed in *Routine Proceedings and Orders of the Day.* I immediately went to an official of this house and asked him what had happened with regard to my action of December 6. It was explained to me that there was some thought of withholding my request because if a foreign government writes to this government and expresses some opinions such missives are not tabled in the house without the consent of the foreign government concerned being received in advance.

Comparing the benchers of the Upper Canada Law Society with a foreign government may well be flattering to the benchers, but I stated that in my view they were nothing but a private group of lawyers who had no public authority, and I did not see any reason why my request was being delayed. If hon. members will look in *Votes and Proceedings* they will find it listed under the date January 19, though I filed it on December 6.

On February 3 the hon. member for Carleton speaking to his motion, one to which I give wholehearted support, went out of his

way to make a remark with which I cannot agree. I wish to correct the impression he may have created. The hon. member made this comment:

> I want to point out that even in respect of this motion the Minister of Justice could not refrain from playing politics. The hon. member for York-Humber (Mr. Cowan) had a notice of motion on the order paper dealing with this subject and covering the first part of my motion. It was listed as No. 21 and therefore was on the order paper preceding mine, which is No. 39. But yesterday there was arranged the standing of the motion of the hon. member for York-Humber who is a supporter . . . of the minister's party, in order to deal with this later motion by an opposition member. Is there anybody anywhere in this chamber who has any doubt of the reasons for this?

I was amazed to hear the hon. member make that statement because he must be the only member of the House of Commons who did not realize that on February 2 there were 1,600 Liberals in metropolitan Toronto attending a dinner given for the Prime Minister of Canada and Mrs. Pearson. I had made arrangements weeks in advance to have dinner with the Prime Minister's brother who sat at my table. I rode to Toronto on February 2 on the same train with the Prime Minister. Yet the hon. member for Carleton asks: "Is there anybody anywhere in this chamber who has any doubt of the reasons for this?" He is referring to the standing of my motion. He must be the only member of the house who did not know that every Toronto Liberal member was out of the house on that day attending this dinner at the Royal York.

In rising to support the present motion I would add this statement: If the motion should be voted down, and I hope it will not be, in order to save a further black mark against the record of this cabinet, I will press ahead with my own motion because the members of this parliament are being denied the right of examining a document which has been forwarded to the cabinet as the executive arm of the government and we are getting into a position where members of the cabinet are telling each and every one of us: It is not good for you to see these things; you are not smart enough to comprehend the meaning of such a missive; leave it to those of us who are in the cabinet; we are the smart boys and we can give you the answers.

There has been a lot of fluff during this discussion about the independance of the judiciary being called into question. Speakers have said we were criticizing the actions of Mr. Justice Landreville. They have said we are blackening the record of a man who has no means of defending himself.

On February 3 the Deputy Speaker—he is now in the Chair—had to make a ruling during the course of the discussion. He said: "The issue before the house is whether or not certain documents should be tabled." He repeated that statement. "The only issue before the house in this debate is whether or not the papers mentioned in the motion should be tabled."

I am in favour of the tabling of these papers. An interesting angle in connection with this discussion has been the assertion developed on the side that we have no right to discuss this matter because it has been referred to a commission—a commission consisting of Mr. Justice Rand, a retired judge from Moncton, New Brunswick. Now this problem arises: Cannot the highest court in the land discuss a matter which has been referred to a commission, a body which in the last resort is obviously junior to parliament as the highest court?

• (6:10 p.m.)

On October 15, 1957, the government of the day by order in council appointed a committee to inquire into the natural energy resources of this country. That was on October 15. On the 17th of October Mr. M. J. Coldwell, the then hon. member for Rosetown-Biggar, rose in his place and, during the course of his remarks with regard to the affairs of the day, stated:

> Naturally, I welcome the appointment of the royal commission to study the question of the use of Canadian energy resources and to ensure the most effective use of such resources in the public interest, but I am not unmindful of this, that the present party in power is faced with a problem in this regard because of its attitude in the house during the pipe line debate. I could not put my finger on it today but I know it is in *Hansard* where a former prime minister said that the establishment of a royal commission was often an excellent way of shelving a difficult problem. I hope that the setting up of this royal commission to deal with energy, oil, gas, pipe lines, and so on, is not being undertaken in order to shelve a very important problem. I think such a study is entirely desirable and, indeed, overdue.
>
> However, there are a number of matters on which it is necessary that action should be taken before the report of any royal commission is available. Indeed, they are questions of policy that should not be shelved. I am thinking particularly of the reference of the matter of Trans-Canada Pipe Lines Limited to the royal commission. I note that the question is referred in this way and I am quoting it:
>
> "Whether in view of this special relationship to the Northern Ontario Pipe Line Crown Corporation and the nature of its financing and control any

special measures need to be undertaken in relation to Trans-Canada Pipe Lines Limited in order to safeguard the interests of Canadian producers or consumers of gas."

Upon which Hon. Howard Green, who I presume was acting government house leader, rose up and objected to Mr. Coldwell making any comments on a matter that had been referred to a royal commission. Mr. Coldwell then stated that in his opinion he had every right to refer to a royal commission appointed two days previously because, after all, this was the highest court in the land.

It is quite interesting to note that the hon. Lionel Chevrier was sitting in oppposition in October, 1957, and he took part in the debate. He supported Mr. Coldwell and in answer to Mr. Green he said:

There is nothing sub judice. In the circumstances I submit to you, sir, with deference, that the hon. member has every right to do what he is doing.

That is, that the hon. member had every right to discuss the matter referred to a royal commission appointed two days previously.

The Speaker gave a ruling on the matter and the Speaker was Hon. Roland Michener. He was a roommate of the right hon. Prime Minister of Canada at Oxford and I presume some of the brilliance of our leader rubbed off on him, because on October 17, 1957, as recorded at page 119 of *Hansard*, he stated:

I think I have heard enough to determine the matter. There is nothing on the order paper which would preclude a discussion of this matter. The royal commission is not a court of record and matters before it are not sub judice. Therefore I see no reason why the hon. member should not discuss it.

Then the hon. member for Bonavista-Twillingate (Mr. Pickersgill), who is supposed to know everything about the rules of this house, and who was leader for the official opposition, when I was in opposition, shouted across toward Mr. Green:

Closure by order in council.

I submit, Mr. Speaker, that when we are told we cannot look at this missive from the Law Society of Upper Canada because the matter has been referred to a royal commission we are having closure by order in council in this day and age, in 1966.

I have here a copy of the order in council, dated January 19, 1966, appointing Mr. Justice Rand. My submission is that this letter could have been produced on January 18 if members of parliament had asked for it in the ordinary way. But on January 19, just as Mr. Coldwell stated in 1957, a royal commission was appointed and now we are given closure by order in council. I am simply quoting the hon. member for Bonavista-Twillingate who knows a great deal more about parliamentary practice than I do, and I am willing to accept his leadership on the matter of the rules covering the conduct of the house.

This matter of whether or not we can ask for these papers before the decision of the royal commission comes down is enlightened by a report in the Toronto *Daily Star* of Tuesday, February 8. Mr. Jack Biddell, president of the Clarkson Company, had spoken at a meeting of the Empire Club in Toronto and made some uncomplementary remarks with regard to officials of the Atlantic Acceptance Corporation which collapsed in the biggest financial scandal in Ontario in many years.

The Ontario government has appointed a royal commission consisting of Mr. Justice Hughes to inquire into the Atlantic Acceptance debacle. The day after Mr. Biddell made his speech before the Empire Club in Toronto, in which he referred to "arrogant scoundrels"—incidentally, Mr. Speaker, did you ever hear that word "arrogant" used in any other place than before the Empire Club in Toronto—Mr. J. E. Eberle, lawyer for C. Powell Morgan, former president of Atlantic Acceptance, argued before Mr. Justice Hughes that Mr. Biddell should be cited and censured for his action since the matter was before the royal commission.

But Mr. Justice Hughes, a member of the Supreme Court of the Province of Ontario, a gentleman appointed to the bench by the government in Ottawa, said the royal commission was not conducting a trial but an inquiry. I point out that this commission of Mr. Rand is not conducting a trial. It is conducting an inquiry. The order in council specifies:

The committee of the Privy Council, on the recommendation of the Minister of Justice, advise that the Honourable Ivan Cleveland Rand, of Moncton, in the province of New Brunswick, be appointed a commissioner under Part 1 of the Inquiries Act to inquire into the dealings of the Honourable Mr. Justice Leo A. Landreville with Northern Ontario Natural Gas Limited or any of its officers, employees or representatives, or in the shares of the said company, and to advise whether, in the opinion of the commissioner, anything done by Mr. Justice Landreville in the course of such dealings constituted misbehaviour in his official capacity as a judge of the Supreme Court of Ontario, or whether the honourable Mr. Justice Landreville has by such dealings proved himself unfit for the proper exercise of his judicial duties.

That is the foreword to the appointment of that commission of inquiry. It is not a court

of trial. We are not trying Mr. Landreville here. We are not making any accusations. We are not making any innuendoes. As members of parliament we are asking the cabinet to lay on the table the communication received from the benchers of the Law Society of Upper Canada.

In the discussions that have taken place already the hon. member for Bonavista-Twillingate has asked, "What have you got to say about the action of the law society keeping it a secret document?" The law society is a private body. They can do what they like with their own property, but when the law society writes to a public body like the House of Commons then the members of the house are entitled to see what the contents of that communication are.

One of the speakers in this debate, the hon. member for Verdun (Mr. Mackasey), in a direct reference to Mr. Justice Landreville used this phrase, "whom we must presume innocent." Nobody who has spoken in support of the motion moved by the hon. member for Carleton (Mr. Bell) has made any statement about the innocence or guilt of Mr. Justice Landreville. All we want is for the cabinet to table the letter received from the benchers of the Law Society of Upper Canada.

The hon. member for Verdun made several references in the course of his remarks to the doubt in his mind as to the action of the cabinet in withholding communications from members of the house. It is interesting when you find a man defending the actions of the Minister of Justice (Mr. Cardin), but still expressing doubt as to what he is doing. I simply ask the members of this house to make certain that the cabinet produces this letter.

I admire the hon. member for Royal (Mr. Fairweather) who the other day, quoted Professor Chapman's book, "British Government observed", in particular the following passage:

> This passion for secrecy has . . . psychological and sociological origins. Secrecy in public life panders to a craving for a sentiment of self-importance, of belonging to an inner circle.

I say that is the attitude that members of the cabinet are adopting on many questions. For instance, I asked how much money was paid to Mrs. Baskin, an employee of the civil service, wife of a former member of this house, and how much was paid to Mrs. Sauvé. The government told me the amount of money they paid Mrs. Baskin but what Mrs. Sauvé gets is entirely a secret matter.

How self-important and arrogant can members of the cabinet get? I say we are the highest court in the land and I ask for the production of these papers as requested by the hon. member for Carleton.

• (6:20 p.m.)

Mr. Andrew Brewin (Greenwood): Mr. Speaker, having just heard the eloquent (Mr. Cowan), I am almost nervous about words of the hon. member for York-Humber becoming involved with those who are accused of having a passion for secrecy; yet I do believe that this motion ought to be turned down by this house. I must say that I do so with some trepidation for the reason that my colleague, the deputy leader of this party, has spoken in favour of the motion. I have always found him persuasive and frequently sound but I regret to say that on this motion I found him to be neither.

I am particularly interested in this matter because, like the deputy leader of this party, I am a member of the bar. I should say that my courage is bolstered by the fact that another learned colleague of mine, the hon. member for Danforth (Mr. Scott), also spoke against the motion. I am particularly interested in this matter as a member of the bar in the province of Ontario. I think I can claim a special interest because I was the first member of this house to urge upon the previous minister of justice the necessity, in the interests both of the administration of justice and of fairness to Mr. Justice Landreville, whose conduct has been widely criticized in the press, that action be taken.

I am not claiming that it was because of my suggestion that the course of action taken was taken, but I did suggest to the minister that one of the proper preliminaries in dealing with this matter was an investigation by a person of high standing such as the present commissioner, Mr. Justice Rand. I should like to point out to members of this house that this matter is rather serious because, according to the information supplied to me by Dr. Eugene Forsey, whose studies of matters of this sort are well known to most of us—

Mr. Cowan: That is a matter of opinion, as you suggested to me a moment ago.

Mr. Brewin: I am not quoting Dr. Forsey as an expert on every conceivable subject.

Mr. Lewis: Only in respect of those with which you agree.

Mr. Brewin: That is right. On this particular occasion Dr. Forsey supplied me and perhaps other members of the house with a memorandum on the subject of the removal

of Superior Court judges. He pointed out that this was unique and that there has been no occasion in Canadian history when this matter has been dealt with, but there have been one or two abortive attempts to deal with this matter: On no occasion before has it reached the point the present case has reached. Let me remind members of this house that the only authority with power to remove a Supreme Court judge is the Governor General on an address of the Senate and House of Commons. Before the Senate and House of Commons deal with such a matter it is entirely appropriate that there be a preliminary inquiry.

By whom should a preliminary inquiry be carried out, Mr. Speaker? I suggest that the course chosen by the Minister of Justice (Mr. Cardin) is perfectly sound. He selected as a preliminary course an inquiry by an eminent retired justice of the Supreme Court of Canada who could not be accused in any sense of being biased or prejudiced in this matter in any shape or form. This inquiry is now to take place. What possible justification is there, in view of that fact, for this house to demand that some opinion expressed by, as the hon. member for York-Humber has said, a private body of lawyers be made a public document at this time? Why should their opinion, simply because it has been sent to the Minister of Justice in the nature of a complaint, as has been rumoured, by the majority of the benchers of the Law Society, and correspondence between the Minister of Justice, Mr. Justice Landreville and the Law Society, be made public?

Of course publicity is an important thing at certain times, but I suggest if we have a genuine respect for the independence of the judiciary we should not want to set a precedent as a result of which a complaint, at any time one is received by the minister of justice regarding the conduct of a judge, would as the property of this house be made a public document. I suggest this would not only interfere with the independence of the judiciary but would restrict the freedom of an individual to criticize the judiciary at the right times and in the right places. I believe that if I have a complaint about the conduct of a judge, and those of us who lose cases do sometimes feel disturbed about a judge's conduct, I should be permitted to voice that complaint in confidence. Sometimes there are serious complaints about judges. I am not suggesting for one moment that they occupy a sacrosanct position but, if every time some disappointed or dissatisfied litigant writes to the minister of justice that correspondence may be made public, a dangerous situation would be created.

I agree with what the hon. member for York-Humber said about how arrogant cabinets formed from parties on both sides of this house and throughout the world are in using the excuse of secrecy to conceal documents. No doubt that will be improved when this party finds itself in that position over there but until that time we will always have the spectacle of arrogant cabinets. I agree with those arguments but they have no application to this case.

There are situations in which there is no public benefit served by the production of documents. We know, because Mr. Justice Rand has made this statement, that there is to be a public inquiry into this matter. That is why I found the argument of the hon. member for York South (Mr. Lewis) so completely non-persuasive. He said he was concerned about the independence of the judiciary and no doubt he is, but then he proceeded to say that in this case if we did not make the documents public immediately in this house, even though there is to be a public inquiry, the public would become suspicious and we must not feed their suspicions. It may be that we must not feed the suspicions of the public, but I think we would do so far more by making public the results of inconclusive and ex parte inquiries than by waiting for the results of the public inquiry that is to be made.

A proper inquiry has been instituted in accordance with perfectly proper and legitimate practice. Why do we need further documents and correspondence put before this house? We may have to deal at a later date with this matter in the form of a joint address but we do not know that at this stage. We may never have to deal with it. The commissioner may report that there is nothing to be dealt with and neither the government nor any other member needs bring it to the attention of this house. Until then what need have we for this correspondence and these documents? I do not care what the Law Society of Upper Canada says. The hon. member for York South suggested that this information should be made available because the Law Society has complained but he knows, as I do, that the Law Society is a completely oligarchic institution.

If the hon. member complains about the actions of the Law Society of Upper Canada, why does he not go to that Law Society and ask for the documents instead of supporting this motion in the house as a means of producing these documents? If the production of these documents would serve the administration of justice or would serve the cause of fairness in dealing with the serious problem that has been raised in regard to this particular judge, if I could see any use for it at all then I would support the motion. I can see no useful purpose but I can see a very dangerous precedent being set which would undermine, whether we like it or not, the independence of the judiciary. Whether the originator of the motion saw that danger or not I do not know, but I am sure he would disclaim that intent.

We are not just dealing with one case and one individual judge; we are dealing with a precedent that would affect the whole administration of justice. If no action had been taken by the Minister of Justice perhaps what the motion suggests would be good, but why should we now in this house, when action has been in fact taken to provide a full public inquiry, insist upon seeing these documents and this correspondence?

• (6:30 p.m.)

I submit to hon. members that the production of these documents would serve no useful purpose and would in fact establish a dangerous precedent. I support the arguments put forward by my colleague, the hon. member for Danforth. Despite my great sympathy for some of the things said by the hon. member for York-Humber I hope we will defeat this motion.

Mr. Steven Otto (York East): Mr. Speaker, this is a matter of some serious consequence. Following the hon. member for Greenwood (Mr. Brewin) and the hon. member for York-Humber (Mr. Cowan), I am not going to refer to the issue of the independence of the judiciary and whether or not the alleged misbehaviour of Mr. Justice Landrevillle took place before or after he was appointed because I do not think it is a matter of serious consequence. But it is a matter of some consequence that we are really arguing about the qualification of judges, or at least the hon. member for Carleton (Mr. Bell) is in putting forward the motion.

Mr. Bell (Carleton): No, not at all.

Mr. Otto: I want the hon. member for Carleton to hear me out so that I may impress upon him the seriousness of this type of motion. There is one point that is very important and it is this. There has been a report from the benchers of the Upper Canada Law Society. Who are these benchers? They are not sanctified in any way whatsoever. They do not come down to us from Mount Olympus with any sort of aura. They are the elected executive of a very tight trade union. They are elected by the members of the legal profession of Ontario to protect the legal profession to a great extent.

These benchers rule on whether or not members of the legal profession from other provinces may practise in Ontario. They have a heavy hand in deciding, for the good of the profession, how many graduates are going to leave Osgoode Hall. They have something to say about minimum fees and tariffs. In other words, they are no more or no less than the executive of the plumbers' association. The service station association has an executive, as has the medical profession and the legal profession. These benchers are the people who sent this letter. It is not a report from the Law Society because the Law Society is composed of all the lawyers in the province. I do not recall at any time authority being given to the benchers to take this type of action, so it it really a report which the minister should not have accepted.

Now we are asked to put the stamp of approval of the house on this report.

Mr. Lewis: Nobody is asking that.

Some hon. Members: No.

Mr. Otto: Well, Mr. Speaker, the motion asks this house to examine a copy of this statement, which is the same thing.

Mr. Bell (Carleton): All we want is to see it; we do not want to approve it.

Mr. Otto: Perhaps the hon. member for Carleton will listen to me for a moment. We have now sanctified these benchers. The benchers are practising solicitors and lawyers and on occasion they appear before the bench. As the hon. gentleman for Greenwood pointed out, the bench is also composed of human beings with certain feelings. If one of the benchers appears before the judge, pleads a case and loses or is about to lose, will there not be some pressure on the judge to say to himself, "What is going to happen? This man is a bencher. He will go back to the benchers and they will find out that when I was 15, 16 or 14 I stole some apples". Who knows what the alleged crime might be? Will the judge

not take into consideration this motion and say, "The benchers may send another report to the minister and I will be"—

Mr. Bell (Carleton): That is an insult to the whole judiciary of Canada.

Mr. Lewis: Hear, hear.

Mr. Otto: It is not an insult. In dealing with this matter we should be not only pragmatic but truthful to ourselves and realize that we are providing the benchers with an aura they do not have. They are no different, as the hon. member for Greenwood pointed out, from any other individual. Surely a report or letter from any other organization, any common or average citizen or businessman would not be demanded by the house for tabling. That is the real issue, Mr. Speaker. Are we going to provide these benchers of the Upper Canada Law Society with some great sanctity and say they deserve it? That is what the motion calls for. I say we must consider this question very carefully. We might set a precedent and that would not be right; it would not help anyone. For these reasons, Mr. Speaker, I think the motion should be defeated.

Mr. John Gilbert (Broadview): Mr. Speaker, I wish to participate in this debate not for the purpose of adding any arithmetical weight to the opinions of the lawyers of the New Democratic party but rather to study with you the problems that are attendant on the tabling of these documents. I firmly believe that the Minister of Justice (Mr. Cardin) took the proper course in setting up a judicial inquiry and I commend him for that action. It was a very difficult problem to deal with and his actions were right in the circumstances. I feel that this problem is a judicial rather than a political one and it is very difficult to separate the two. If this document were tabled you would create a political climate which would greatly prejudice the fair trial of Mr. Justice Landreville.

Mr. Cowan: It is not a trial; it is an inquiry.

Mr. Gilbert: I am sorry, Mr. Speaker; I mean that it would greatly prejudice the inquiry with regard to Mr. Justice Landreville. May I point out that the report prepared by the law society was one in which the justice played no part in the giving of any evidence, and I imagine that the rules of evidence applied to judicial cases were not closely followed. The report prepared by the benchers was merely an opinion of the benchers with regard to the conduct of the particular judge. Therefore, to lay the report open at this time by tabling it would give particular members an opportunity to express opinions on a report which was obtained in a very limited way.

• (6:40 p.m.)

My hon. friend from York-Humber (Mr. Cowan) is very disturbed that the highest court of the land is not going to deal with this problem. I would remind him that we will eventually deal with the problem after the report of the commissioner has been made. The hon. member also referred to the inquiry with regard to Atlantic Acceptance Corporation. I point out, Mr. Speaker, that was an inquiry with regard to a limited company whereas the inquiry that has been set up here is with regard to a particular person. I do not believe it has any particular application.

I respectfully submit to you, sir, that after listening to the speech of the hon. member for Carleton who moved this motion and the speeches of other members it is clear that the purpose of the motion seems to be political rather than judicial. I feel that no purpose would be served by creating a political climate prior to the inquiry.

The hon. member for York-Humber (Mr. Cowan) thinks there is an aura of secrecy attached to this report. I respectfully submit there is no secrecy. At the moment there is a temporary delay and that delay is caused by the desire for a fair hearing. For these reasons I do not support the notice of motion but support the Minister of Justice.

Mr. H. E. Gray (Essex West): Mr. Speaker, when I was listening to the presentation of this notice of motion by the hon. member for Carleton (Mr. Bell) I found aspects which frankly troubled me when I attempted to follow his argument why this particular report should be produced. While waiting for my turn in this debate, I took the liberty of looking up *Hansard* for February 3 and reading again the words of the hon. member for Carleton when he presented his motion with his usual fire and eloquence. Let me draw the attention of the house to a few excerpts from his remarks. On page 669 of *Hansard* in the second column, he is reported as saying:

> It is not the conduct of Mr. Justice Landreville with which this motion deals. Let me make that abundantly clear.

A few lines lower down on the page, I find this:

> What I am interested in is the conduct of the Minister of Justice and of his predecessor, the President of the Privy Council (Mr. Favreau)—

On page 670, the third paragraph, he is reported as saying:

> No, Mr. Speaker, I repeat that this motion is not designed in any way to relate to the hearing now abdicated by this parliament to a retired judge. It is designed—

I draw the attention of this house to these words:

> —to get to immediate grips with the incompetence and inconsistency with which the Minister of Justice and his predecessor, the President of the Privy Council, have handled a vital matter affecting so delicately the whole principle of the independence of the judiciary—

At the conclusion of his remarks on page 670 I find this:

> But I am determined to hold the hon. member for Richelieu-Verchères, who is now Minister of Justice, accountable for his conduct of the whole affair. For that reason I am asking hon. members in all parts of the house to support this motion, to strike a blow against the arrogance—I use that word deliberately—of the Minister of Justice—

In other words, he is not asking this house to approve the notice of motion to have this report put on the table of this house to permit parliament to decide on some action to protect against possible injury to the integrity of our judiciary; he is not asking this house to approve his notice of motion so that the house can be informed of some situation of which hon. members have had no knowledge at all. He is using this report to strike a political blow against the reputation of the Minister of Justice. In other words, in order to strike at the Minister of Justice he is willing to trample underfoot the rights of a Canadian citizen who happens to be a judge of one of our higher courts.

I suggest to hon. members that this is a very serious thing. Surely a judge as an individual has a right to be treated fairly. One of the great problems of our modern society is to what extent the rights of an individual have to be made subservient to the over-all rights of the state. We see this when we have debates on the rights of the press and the right of the individual to privacy, when we have discussions about the rights of the press to inform the public concerning judicial proceedings, even though this may be at the cost of a fair and impartial trial of the individual accused. I feel that this notice of motion by the hon. member for Carleton is an illustration of this problem of public policy which we are facing in many avenues of our national life today.

Another aspect of this problem has been referred to in this house which I am not going to deal with here, namely, the very difficult problem involving a former civil servant and his rights which have come into conflict with a basic question of the over-all security of the state. This question has been referred to in the house during the question period and I would not be surprised if it is discussed again at some other time.

Returning to the subject matter of this motion, we have a situation in which the chief aim is a political attack leading to the embarrassment of the Minister of Justice. To do this, the hon. member for Carleton is willing to disregard completely, or so it appears to me, the ordinary civil rights of a Canadian citizen who in this case happens to be a judge of one of our superior courts.

Mr. Bell (Carleton): This is simply ridiculous.

Mr. Gray: The hon. member says this is simply ridiculous. If that is the only criticism the hon. member can bring to bear on my argument, then my argument must have a lot more strength than he is willing to admit.

What are some of the basic things which someone who stands accused of a course of conduct, which if proven could lead to serious consequences, could expect as a matter of right as a Canadian citizen in our society today? Surely if the accusation is of the seriousness of that which is being brought by some at least in the public print against Mr. Justice Landreville, he has a right to expect that any report passing judgment on his conduct should be made after he has had a public hearing, after he has had a right to have counsel present arguments, after he has had the right to call witnesses and to have his counsel cross-examine witnesses. In short, there should be what might be called an adversary proceeding.

• (6:50 p.m.)

If I may put it another way, he has the right to have the basic principles of British and Canadian justice followed. I recall Dean Smalley-Baker saying some years ago, when he was Dean of the Law School at Osgoode Hall, *audi alterem partem*, which I would gather means, "hear the other side." Surely this is a basic principle of British and Canadian justice which does not appear, so far as I am aware, to have been followed by those representatives of the Law Society who

prepared and submitted the report in question. I think that because this was not done this report in the form it has been presented to the Minister of Justice (Mr. Cardin) should not be presented to the house at this time.

If, Mr. Speaker, the question "How could this report be described or categorized" were put, the answer would be that it would be analogous to reports that are the result of preliminary investigations which are used for the purpose of deciding whether charges should be laid. I think those of my hon. friends who are perhaps more experienced and learned in the law than I happen to be at this time will agree that generally speaking such reports cannot be produced in courts where charges arising out of these preliminary investigations are brought.

One obvious reason for this is the one-sided nature of the preliminary report on which the decision to lay a charge has been based in the particular case. Often these reports contain what might be referred to as raw data, data which have not been completely checked out by the most detailed form of investigation, indeed, data which may not have been properly checked at all.

As I say, Mr. Speaker, I think that those members of the house who have had more years experience at the bar than I have had will agree that it would be a very unfair and harmful thing if these confidential preliminary reports, on which investigations which lead to a decision to lay charges are often based, should be made available as documents of serious probitive consequence in the trial of the charges in question.

The question may be raised whether or not the person who has been charged with carrying out an inquiry into this judge's conduct will be deprived of some useful or valuable information because this report is not produced before this house at this time. I am sure, Mr. Speaker, that the Law Society will be able to be represented by counsel at the public hearing or at the private hearing, for that matter. It will be able through its counsel to make any sort of inquiry or argument it wishes. At the inquiry I am sure the Law Society will be able to request that witnesses be called to be heard by the person who will be conducting the inquiry if it appears that counsel for the inquiry will not be taking this step of his own accord. In fact, I would suspect that the Law Society will be able to present its report to the inquiry so that the judge can take such cognizance of it as would be relevant at the time.

If the report is presented to Mr. Justice Rand when he conducts his inquiry, it will be presented in a way which will open it to scrutiny by the representatives of Mr. Justice Landrevile. Inconsistencies or omissions in this report can be questioned and can be put on the public record.

If the motion that this report be now tabled is received and accepted by the house and if this report should be critical of the judge and his conduct, then I would suggest that this judgment in the report will become fixed in the public mind—it often appears that the public mind works this way—in a way which cannot be removed no matter what the decision of the inquiry held by Mr. Justice Rand. I suggest that members of the public will not be in a position to draw distinctions or raise criticisms of the type made so eloquently in this chamber today and on previous occasions by members from both sides of the house, pointing out the way this report has been prepared and presented.

For example, I am sure the public will not know that Mr. Justice Landreville was not heard before the report was produced; at least, that is the case as far as we are aware. They will not know that he did not have counsel appear for him before those who prepared the report and that there was not, even in the more limited sense of a public inquiry, a form of adversary proceeding in which his side was fully, fairly and effectively put before any decision was taken.

No, Mr. Speaker, I suggest that if this report is critical of the judge, and there seems to be some suspicion on the part of many that that may be the case, then there will be left in the public mind a form of taint on the reputation of the judge in question which no decision of Mr. Justice Rand's inquiry or even of this house may ever completely remove.

The result of this, I suggest, will be harmful not only to the reputation and general integrity of our judiciary itself; it will have done a form of irreparable harm to the reputation of Mr. Justice Landreville as an individual. It would be serious enough, Mr. Speaker, if the result of producing this report would be to harm unjustly in the public mind the reputation or integrity and high standards of our judiciary. It would be even worse if, to achieve a narrow, partisan, political purpose, the hon. member for Carleton were put in the position of harming a Canadian citizen who in this case may happen to be a judge of our Supreme Court.

May I call it seven o'clock?

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

SUPPLY

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

DEPARTMENT OF TRANSPORT

Air Services—

30. Administration, operation and maintenance including the administration of the Aeronautics Act and regulations issued thereunder, the administration of the Radio Act and regulations issued thereunder, Canada's share of the cost of the international radio, telegraph and telephone organizations listed in the details of the estimates, Canada's assessment for membership in the World Meteorological Organization, $110,000 for grants in aid of meteorological research in Canadian universities and Canada's share of the cost of the World Meteorological Organization symposium on design of hydrometeorological networks, $97,637,700.

The Deputy Chairman: Shall vote 30 carry?

• (7:00 p.m.)

[*Translation*]

Mr. Latulippe: Mr. Chairman, even if the minister is absent I should like to make some remarks which he might look up when he reads *Hansard*.

It is about the airport in Mégantic. This airport was built by the Federal Government but it is not maintained. Owners of private planes who would like to use that airport, cannot do it in the fall or during the spring thaw. Even during winter the airport cannot be used.

I ask the minister whether he intends to set up a regional policy based on the needs of small airports?

The Mégantic airport is modern enough, but the landing strips have not yet been paved.

I repeat this because the minister has just come into the house, privately owned planes cannot use it all year round.

In addition, when the summer is as wet as it was last year, even the provincial planes whose job is to protect the forests from fires often cannot land at this airport.

I know there is an agreement between the city and the federal government with regard to this airport; the city of Mégantic rented the airport, but it cannot maintain it. I am quite convinced that at this particular time of the year planes cannot land there. The other day, private plane owners told us they could neither take off nor land there because the runways were too deep in snow. In spring and in autumn, those landing strips are too soft, the ground is too soft to enable aircraft to take off or to land.

I would therefore ask the minister what he intends to do is such circumstances. Should the town of Mégantic surrender the airport to the federal government, because it is unable to look after its maintenance. The citizens would like to be in a position to use it. The provincial government which also uses it for forest protection, would be interested in using it the year round.

I would ask the minister whether it would be possible to have in Mégantic a profitable airport maintained by the federal government which would make sure that it is usable at all times.

Now I know of the representations the hon. member for Sherbrooke (Mr. Allard) made regarding the Sherbrooke airport.

That airport is 45 miles from lake Megantic. It was built 4, 5 or 6 years ago, I think, and cost over $3 million, but it has never been used. The people of Megantic like those of the Sherbrooke area and of all the eastern townships would be anxious to use it.

I strongly support the hon. member for Sherbrooke in his request to have Air Canada establish an air route to serve Sherbrooke and the vicinity. That would be most helpful to us. The people of Lake Megantic and the eastern townships are in great need of this airport.

I would ask the minister to consider the situation. As this airport is already built, the only thing to do would be to authorize Air Canada to reinstate the services which this airport used to give. In my opinion, there would be enough passengers to make the line useful and profitable.

Those are the remarks I wanted to express to the minister; I ask him to take into consideration the matter of Megantic and Sherbrooke airports.

[*English*]

Item agreed to.

Air Services—

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 author-

ity 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 $30,878,100, for radio aids to air and marine navigation a total amount of $14,854,000, and for meteorological services a total amount of $2,745,300, $41,906,000.

[*Translation*]

Mr. Caouette: Mr. Chairman, I have only one question for the minister concerning the construction of an air terminal.

Mr. Pickersgill: In Val d'Or?

Mr. Caouette: And in Rouyn. As far as Val d'Or is concerned, the matter seems to have been settled temporarily since it has been decided that the construction will start before fall.

Rouyn needs an air terminal, because Rouyn-Noranda, to put things simply, is the hub of northwestern Quebec. I would like to have the assurance from the minister that his department is considering the possibility of building in Rouyn-Noranda an air terminal as substantial as the one which will be built in Val d'Or.

[*English*]

Mr. Pickersgill: I can give the hon. gentleman the assurance that the matter will be looked into at once.

Item agreed to.

40. Contributions to assist in the establishment or improvement of local airports and related facilities, payments to the other governments or international agencies that are detailed in the estimates for the operation and maintenance of airports, air navigation and airways facilities, including authority to pay assessments in the amounts and in the currencies in which they are levied, notwithstanding that the total of such payments may exceed the estimated equivalent in Canadian dollars, grants as detailed in the estimates for the development of civil aviation and payments to the Canadian National Railway Company of the difference between revenues and expenses in the operation and maintenance of telecommunication facilities as detailed in the estimates in accordance with agreements entered into with the company with the approval of the governor in council, $1,370,300.

Mr. Hales: Mr. Chairman, may I express my appreciation to the Minister of Transport for the contributions the department made to the Wellington-Waterloo airport situated in my community. These contributions made it possible to enlarge the runways and add aprons to this very popular airport which serves Kitchener, Guelph, Hespeler, and areas adjacent. The airport is used to a large extent by incoming and outgoing aircraft, serving what we call the golden triangle of Ontario. I know that the people of that community would want me to express their appreciation to the minister for the allotment of funds that has made these improvements possible.

Mr. Brand: Mr. Chairman, may I ask another question of the Minister of Transport and an assurance from him in connection with the matter I am about to raise. A few months ago I had a meeting with many of those who hold private pilot licences in my constituency. At that time those people were expressing a great deal of concern about their ability to use the facilities at our airport, and at other airports across Canada. The facilities they referred to had to do with instrument approaches, and with the practising of instrument approaches in some airports which were not busy at the time. Those pilots were not allowed to do this by the towers on this side of the border, whereas if they flew to an airport in the United States they were more than welcome to use the instrument facilities, whether the airport was busy or not. The pilots concerned felt that it would be preferable if they had greater opportunity to make use of facilities, particularly of those in airports that are not busy and therefore not being used, and they felt it would be to the advantage of those in control towers thus to improve their own skills. May I ask the minister if he would be good enough to look into this matter for the sake of those who hold private pilot licences, perhaps with a view to doing something eventually to improve this situation.

Mr. Pickersgill: I will be very glad to review the situation, and if the hon. gentleman would let me know about the particular case he has in mind, I will look into that as well.

Item agreed to.

[*Translation*]

Mr. Mongrain: Mr. Chairman, I should like to add just a word to the remarks of the hon. member for Saskatoon (Mr. Brand), and ask the minister not to consider only the case of the flying enthusiasts of the Saskatoon area. I should like to make the following suggestion. At least once a year the minister or his officials should find it possible to meet with the people in charge of the private flying clubs throughout Canada, because it is those flying clubs that are the source of future pilots.

I fully understand the problem mentioned by the hon. member for Saskatoon, because I

was once a member of a private flying club. There are other problems upon which the minister could, at very little cost, exert a rather significant influence in order to promote private aviation and to be of assistance to those flying clubs.

Then, I suggest that at least once a year the officials of his department should manage to call a conference with the *bona fide* officials of the private flying clubs, in order to talk over their problems.

Before resuming my seat, I also should like on behalf of the whole area of Trois-Rivières, to thank the minister for what we have received in the field of private aviation, and I think we can say we were gratified to the full.

[*English*]

Mr. Pickersgill: That seems a very good idea and I will look into the matter.

Mr. Cantelon: I should like to express my interest in the announcement, made by the minister last March 29, that there was to be a vote of funds to assist local airports. That, I think, is a very worth-while plan, particularly because it is my feeling that since the public supports the roads for automobile travel, the federal government ought to support the local airports for those who want to travel by air.

• (7:10 p.m.)

I wish to pose some questions to the minister in regard to that, because it is my understanding that there was to be $1 million voted for this purpose. According to the information that we have here only some $591,300 was used, although I notice in the new estimates that it is expected that $850,000 will be used by the end of the year. I should like to know, what reason if any there is for only a proportion of the $1 million being used? Can the minister give me an idea as to how many applications were received? I am very interested in knowing how many of these came from Saskatchewan and, of course, I should like to know how many came from my own constituency.

Mr. Pickersgill: As to the first question, I think the answer is very simple. The policy has not yet been in operation for a whole year. I have no doubt that after it has been in operation for a full year the situation will be very different. As for the list of places, I am not sure I have it here. If I do not, and if I give the hon. member an assurance that I will provide him with it, I wonder if he would be satisfied.

[Mr. Mongrain.]

Mr. Cantelon: That would be agreeable, Mr. Chairman.

Mr. Nasserden: I believe that at the present time the department does not assume any responsibility for the purchase of land for local airports. This has become a problem today in many areas where the price of land is increasing. Would the minister give consideration to paying part of the cost of acquiring land intended for local airstrips?

Mr. Pickersgill: I will be glad to look into that matter again but there are some difficulties as I am sure the hon. gentleman well understands.

[*Translation*]

Mr. Caouette: Mr. Chairman, only one more question. From the information I gave to the minister the other night during the debate on Item No. 1, is he prepared to consider again the case of Fecteau Transport Company of Senneterre who wish to operate as far as Rupert House and Mattagami, not Moosonee, not in Ontario, but Mattagami, so that this company may be fairly dealt with?

[*English*]

Mr. Pickersgill: I am looking into that matter and I intend to write to the hon. gentleman just as soon as I get a little information.

Mr. Schreyer: I wanted to put a question to the Minister of Transport having to do with the construction program for the satellite airport at St. Ambroise on the outskirts of Winnipeg. It is my understanding that the Department of Transport intends to proceed this summer—

Mr. Pickersgill: Perhaps the hon. gentleman, who is an experienced parliamentarian though he is a new member here, would look at the estimates for 1966-67. Provision is made for these developments in those estimates, and perhaps in the circumstances it could be discussed on them.

Mr. Schreyer: I understand. But by the time we get to the estimates for the next fiscal year it will be too late. So I should like to draw the minister's attention to this matter now.

Mr. Pickersgill: It is already in the estimates which were distributed on Monday.

Mr. Schreyer: I understand that, but I wonder whether the minister would hear me out, because this has to do with work which is contemplated. It is my understanding that

the department intends to proceed with the hard-surfacing of the runways of this satellite airport and I am told by people who I believe are in a position to know that it would be most unfortunate if the department were to proceed to surface these 2,500 foot runways because in a few years the economic development of northeast Manitoba will demand longer runways. I hope the minister will look into this question with a view to providing longer runways at this airport. There are many entrepreneurs and businessmen in this area who would regret it very much if the department were to proceed with the hard-surfacing of runways which are much too short.

Mr. Pickersgill: I will look into that matter before any action is taken.

Item agreed to.

Air Transport Board—

75. Air Transport Board salaries and other expenses, $777,200.

Mr. Walker: This vote has to do with the Air Transport Board. I should like to bring to the attention of the minister and of the board a situation which has developed in connection with international charter licences. I am innocent enough to believe that the motives and the aims of those who hold air carrier licences should be to take people where they want to go at times when they want to go. But in this field—and I am referring to international charter licences in the class 9-4A—a situation has come into being which could have unfortunate results. At the moment a number of operators are in possession of licences which are not being used. I am speaking particularly of Ontario. I should like to bring it to the attention of the minister and, through him, to the transport board that in May, June and July of 1965, 124 foreign carrier flights departed from Ontario alone.

No less than 45 per cent of Ontario charters was carried out by foreign carriers. This is typical. It has been pointed out that Ontario does not have an active air carrier in the 9-4A category and the province is losing some $13 million a year to other Canadian companies and to foreign-owned companies. Though Ontario provides more than half the Canadian market, at present worth about $35 million, it does not have an active licensed carrier and therefore it does not share in this market.

I presume the licensees have equipment But the problem which may develop is this: These licences may shortly have a greater dollar asset value than the businesses themselves, and I think this would make for a poor situation if it did develop.

Should not the transport board make an annual review of the use to which these licences are being put and consider revoking the licence of any international charter carrier operating in Canada who has not carried anybody in the previous year? I know that Air Canada is in the air charter flight business and they are booked up until way into next year. I understand, too, that there are thousands of Canadians who would very much like to go on charter flights this summer but are unable to do so because the necessary equipment is not available.

This could arise from the fact that there are eight or nine unused inactive licences in being at the present time. And I think the board should take steps to deal with this situation.

Mr. Pickersgill: I should like to assure the hon. gentleman that this matter is already under very active consideration.

Item agreed to.

• (7:20 p.m.)

Board of Transport Commissioners for Canada—

80. Administration, operation and maintenance, $1,477,000.

Mr. Nesbitt: Mr. Chairman, I intended to give a rather lengthy dissertation on this subject, but owing to the fact that we are anxious to get the estimates through, I shall only refer to two brief matters which for obvious reasons I should bring to the minister's attention at this time. The first one directly concerns the Board of Transport Commissioners.

So far as I am concerned I have always had most excellent relations with that board. From what I have seen of their hearings they are held very fairly, and any reasonable person could rely on the judgment they produce from the facts presented to them. However, having said that I would like to say that justice must not only be done but it must appear to be done as well.

Last year I attended a board hearing concerned with a C.N.R. request to abandon a small railway line in my riding. I do not quarrel with the judgment given by the board, but having watched things carefully at the hearing I can say an impression was given to lay personnel that the officials of the board present and the officials of the C.N.R.

were, as they say, playing footsie, and constant references were made to the valuable information provided to the board by the C.N.R. I realize this is probably a normal procedure, but to an outsider it gave the impression that the board, to say the least, was being very sympathetic to the C.N.R. application, thus creating an unfortunate impression. It may not have occurred to the board that this kind of thing can happen, but again I repeat justice must not only be done but it must appear to be done.

I agree with the minister in what he said yesterday, that railway services must be paid for either by the general public or by the users of the railways. But I point out that the accounting methods used by the railways are quite different from the usual accounting methods used in other forms of business. This may or may not be a good thing, but since a committee of this house will shortly be hearing representations concerning C.P.R. passenger service, and since further hearings will be heard by the Board of Transport Commissioners on railway line abandonment, I ask that the government appoint a one-man royal commission, an expert chartered accountant, to review quickly the methods of accounting used by the railways so that they may be understood by members of the committee and the public at large.

In this connection I refer briefly to a judgment handed down by Mr. Griffin, with reference to the hearing I attended. I quote from page 15 as follows:

> It became apparent, during further cross-examination of Mr. White, and when Mr. Winlaw later gave evidence for the respondents, that there was some misapprehension about railway accounting for track elements because of differences between the more usual accounting practices and those employed by railways.

I have had experience in accounting by training and some brief work, and I can say railway accounting, because of the nature of the business, is indeed different. When members of this house or of the other place attend board hearings, or committees dealing with passenger service, it should be made very clear to them what are the differences in the accounting methods used by railways and those used in ordinary business practice. Therefore I suggest someone be appointed to translate railway accounting methods into ordinary accounting parlance so that people may know what is happening.

Under the accounting methods used by railways they can certainly give the appearance that operations are costing more than if they were accounted for by ordinary methods. This provides the railways with a good excuse for seeking to abandon passenger service, railway lines and other things. If ordinary accounting methods were used I am quite sure the railways would not have so many arguments to make in favour of getting rid of passenger service, and abandoning lines. This is a point that has been overlooked so far in debates in this chamber and should be considered before the next estimates are discussed.

I now wish to speak about a grade crossing in the town of Ingersoll, Ontario, in my riding. It crosses the main lines of the C.N.R. running between Montreal and Chicago. It is a subject which has been before the house on various occasions, and also before the Board of Transport Commissioners. Just recently a second fatality occurred there. A small child was killed at the crossing. This line crosses No. 2 highway, a main traffic artery in Ontario, in the middle of the town of Ingersoll. There is a children's swimming pool on one side, and a large Roman Catholic school on the other. Hundreds of children are constantly in the vicinity of the railway crossing.

Some types of gates provide protection but, as hon. members know, railways constitute an allurement to children. The gates may protect adults, but that does not apply to children. During the recent election I suggested at my nomination meeting that I would be glad to look into the matter and bring it before parliament. Later, when the Liberal party had its convention, the Liberal candidate said he would do so too. But for some reason during the course of the election campaign it became a political issue.

Mr. Pickersgill: How surprising.

Mr. Nesbitt: I am surprised the minister says he is surprised at this. I am not suggesting the minister had anything to do with it; I have no evidence that he did. I know he would not do things like this, but during the campaign the Liberal candidate came to Ottawa to get something done quickly about it. That is fair game at election time. Those of us who have been here quite a while are not thin skinned about these things, but I want to remind the minister, and his colleague the Minister of Public Works, of what was held out to the people of the town of Ingersoll.

• (7:30 p.m.)

At that time the Liberal candidate had his picture taken for the press showing him

seated by the then acting prime minister, the present Minister of Public Works, who had a smile like the great white father and his arm around that gentleman. The caption stated that this matter would be looked into and attended to at once. Apparently the people of Ingersoll did not take the promise too seriously—at least the election results would indicate that. In any event, I wanted to give the background.

This is what I am really complaining about and it is a very serious complaint. On December 14 last the Board of Transport Commissioners held a meeting in the town of Ingersoll regarding this railway crossing. I was delighted to note, when I read the account of that meeting, that the minister and the board were able to provide such a prompt hearing.

Despite the fact that I have been the member for Oxford for six parliaments covering approximately 13 years I received no notice of this hearing whatsoever. That is the first time to my knowledge since I have been a member I have not received a notice of a hearing of the Board of Transport Commissioners held in my area, whether or not I expressed any interest in this particular proceeding. I thought that rather peculiar in view of the fact I had some correspondence with the board regarding this matter.

I wrote the Board of Transport Commissioners about this matter and received a reply dated December 28, 1965 from a Mr. Rump, secretary of the board, which stated in part:

> It is not usual to send notices to members of parliament unless they have indicated an interest to the Board. In this case, no letter from you appears on our file.

I am sure the minister does not know anything about this situation, but I should like to point out that in volume IV of *Hansard* for 1955 there is recorded at pages 3988 and 3989 two pages of my remarks about this crossing. Even though the board might lose its files or destroy them after a few years we have this record in *Hansard* of my remarks about this crossing.

In addition to those remarks I had correspondence with the board about it. I do not have that correspondence in front of me but it is in my file. Early last September I telephoned the board concerning this correspondence and the latest fatality which had occurred there. Mr. Rump was away because of illness but I spoke to the acting secretary who noted the matter and said he would refer it to the board.

Again in reference to the letter I received from the board dated Deceber 28 I was informed that the board had no record of correspondence from me concerning tihs crossing and that if they did it must have been lost during a move from one office to another. I am prepared to accept that statement, but I find it difficult to understand why the board would not know that this crossing matter had been the subject of considerable political controversy during the last election campaign.

I should like to read further from the letter and draw this statement to the attention of the minister, because I feel he perhaps does not know what some of his personnel are doing. On the second page we find this statement:

> In so far as the notification of the defeated candidate in your constituency is concerned I would advise that, because of representations which were transmitted to the Board through the office of the Minister of Transport, a copy of the Board's formal notice of hearing was forwared to Mr. H. Arbique, Special Assistant to the Minister. It is understood that Mr. Arbique in turn, because of the representations made to the Minister, advised the local Liberal Association in Ingersoll. Therefore, I presume in this matter their representative became informed of the hearing.

In that regard it seems that almost the whole Liberal Party in Oxford turned out for the hearing. I think perhaps I should read the next paragraph which states:

> I can assure you that a copy of the notice of the hearing was not sent by this Board to either your political opponent or his association in Ingersoll. However, I might say that a few days prior to the hearing I received a telephone call on behalf of the local Liberal Association asking whether or not the Board would receive representations from that organization if it wished to submit same. They were, of course, verbally advised that this was their privilege if they so desired.

The secretary then set down a number of officials' names in the town of Ingersoll to whom notice had been sent. The bottom name is Mr. Kenneth F. Riehl, 913 Warwick Street, Woodstock. I understand that he is a high school teacher at Woodstock and a very active member of the Liberal party.

This kind of action is all good fun and horseplay during election campaigns, but I do think this lack of notification is the responsibility of the officials of the minister's department, and I draw this to his attention. The Board of Transport Commissioners is a quasi-judicial body and it should not be made, through pressure from the minister's office, the target of political partisanship. This whole thing must be very embarrassing to the members of that board and it is with

regret that I refer to it at all. This type of thing is something that should be stopped. We have not heard of it before and I hope it will not occur again.

In this same regard, in view of the promises that were made—perhaps I should not use the word "promises" because the Minister of Public Works who was in the house a moment ago, and I am sorry he has left, has had enough experience in public life to know not to make direct promises, at least gave the impression that this dangerous railway crossing was going to be attended to at once, I hope the Minister of Public Works will refer the matter to his colleague the Minister of Transport so that something can be done.

When the board did hold its hearing on December 14, to which I was not invited, the London *Free Press* reported that the commissioner had said a very prompt decision would be made. That was last December and no decision has been made yet. The town of Ingersoll is very anxious to know when something will be done and whether it will have to pay a share of the cost because it is drawing up its budget for this year at the present time.

I ask the Minister of Transport to take this matter up with the Board of Transport Commissioners and impress upon that board that it must bear in mind the "promises" that were outlined and held out to the people of Ingersoll by the Minister of Public Works. Incidentally, the former minister of mines and technical surveys was in Ingersoll for a couple of days at that time. Perhaps it would have been better had he spent more time in his own riding in Prince Edward Island. I just mention that in passing.

Mr. Pickersgill: May I ask the hon. gentleman a question. Did I understand him correctly to say that he made representations about this matter in 1955?

Mr. Nesbitt: Yes, and on various occasions since then.

Mr. Pickersgill: I wonder whether the hon. gentleman could tell us what happened in respect of this crossing during the six years he was an influential member on this side of the house?

Mr. Nesbitt: Mr. Chairman, that is a very interesting observation. During those six years there were no requests from the town of Ingersoll to make the changes that were suggested at the recent hearing. Changes of another kind relating to this crossing were requested in 1955 and on other occasions. The request at the recent hearing for changes related to the increased number of small children using the crossing, a swimming pool nearby and greatly increased traffic. In addition, there were no fatal accidents in 1955. If the minister cares to review the matter I am sure he will obtain these facts.

Mr. Pickersgill: I will be very happy to review it.

• (7:40 p.m.)

Mr. Hales: Mr. Chairman, I wish to make one brief observation concerning the Board of Transport Commissioners. I would preface my remarks by saying that I, too, have always received from the board the finest co-operation. However, I believe it should be brought to the attention of the minister that the Board of Transport Commissioners was guilty of a lack of judgment in the way they went about removing the night train from Ottawa to Toronto. I realize that this train has since been reinstated, but taking off a night train service from the capital of Canada to the capital of Ontario was certainly, in my estimation, exhibiting a lack of good judgment. The board knew the pool service arrangement would expire last October. They had known this for years and knew it would expire on this particular date, but nothing was done except to drop the train as of October, 1965. Then there was a public outcry all across Canada, particularly in the areas of Toronto and Ottawa, public opinion was aroused and objections were put before the Board of Transport Commissioners. The Board then said, "Well, Canadian National and Canadian Pacific must get together and see what they can do".

Then the two railways got together and finally decided that C.P.R. would drop out of this passenger service and the C.N.R. would take over, with the result that we now have an overnight train service on Canadian National from the capital of Canada to the capital of Ontario.

I think it behooves the minister and the Board of Transport Commissioners to operate in a more efficient manner in a country such as Canada. They should not act in this backward, left-handed way. The removal of the overnight train made the railways the laughingstock of the country because the capital of Canada did not have this service. I thought this was the time to bring this matter to the attention of the minister and I hope he

and the board will in the future use better judgment.

Mr. Pickersgill: I hope the train will be well patronized.

Mr. Olson: Mr. Chairman, on this vote which provides funds to the Board of Transport Commissioners I wish to say a few words, for two reasons. First I should like to support the argument advanced by the hon. member for Oxford who suggested that the Board of Transport Commissioners or at least someone in the Department of Transport require a cost accounting or a cost analysis system far better than the one used at the present time. I say this because we know, or at least some of us suspect, that the costs advanced by the C.P.R. when they filed their application to abandon the Dominion were not satisfactory in comparison with usual accounting methods.

The hon. member for Oxford is a distinguished member of the accounting profession and he advanced the opinion that the accounting methods used by the railway company are substantially different than those used in any other business in Canada. I am not a member of the accounting profession, but I should like to add that the accounting methods used in the railway's affairs are not even comprehensible to most other accountants in Canada.

The part that is disturbing about all this is that no serious attempt was made to challenge these costs when the C.P.R. filed figures of variable costs before before the Board of Transport Commissioners. I notice from the judgment handed down that apparently no attempt was made by the Board of Transport Commissioners to really seriously and in detail study these costs in order to ascertain whether they were justifiable, particularly from the point of view of the public interest.

Some amounts covering the cost of money were disallowed by the Board of Transport Commissioners and I give them full credit for this. They disallowed costs in other cases also. But there is the matter of depreciation charged to the Dominion amounting to $303,000 for locomotives and $1,033,000 for passenger cars which was not disallowed. I believe we are justified in suggesting that all this depreciation, particularly for passenger cars, will continue whether or not that train runs; therefore it is certainly not a cost that can be saved with the abandoning of the train.

One other thing that disturbs me greatly about these so-called variable costs advanced by the C.P.R. in support of their argument for the abandonment of the Dominion is that the amount of $628,000 is charged to this train under the heading "other general expenses"; yet when Mr. Nepveu, the C.P.R. witness called at the hearings of the Board of Transport Commissioners to explain these costs, was asked about this particular item he could not even answer a question on how they arrived at that figure. He was unable to give the details of the various components which added up to $628,000. I have read the judgment of the Board of Transport Commissioners very carefully and there is no questioning of this figure.

I do not want to be too critical of the board in this respect if they did not have the facilities and the personnel to carry out the kind of detailed analysis of these variable costs that was necessary. They say this is the case. I should like to quote from page 83 of file No. 27563.479 which is the judgment of the Board of Transport Commissioners in respect of the Dominion:

> The detailed expense items for the year 1964, when the train had head-end traffic, and for the projected year 1965-66, for the train with its present consist, were shown in Exhibits 4 and 5.

Those exhibits were filed by Canadian Pacific Railway. Then it says:

> All categories of expense are lower for the projected year, the total variable cost being reduced from $20.8 million to $7.7 million.

Of course, the difference here is in the consist of the train. Then on page 84 of the judgment the Board of Transport Commissioners go on to say in the second paragraph:

> As to the revenues and costs, as shown in Exhibit 5, for a 12-month operation of the train with its present consist, I would not include as a saveable expense the $628,100 claimed by the company as cost of money. I would also, for the purposes of this judgment, make disallowances in other items, including road maintenance, traffic and general expenses.

I do not need to read the rest of this paragraph, but then it is said:

> I am in agreement with their estimate that the saveable expenses on that basis would be in the neighbourhood of $6 million and the deficit about $3 million.

I presume this is for the consist of the train with one locomotive, a buffet car and two day coaches. Then further down it says:

> —I have not considered it necessary to require the board's staff or myself to make the further detailed study that would be necessary in order to determine more precisely the items and total of allowable expenses, revenues and deficit.

I would suggest to the Minister of Transport that perhaps one reason the Board of Transport Commissioners did not go into these matters in more detail was that they did not have a sufficiently modern or efficient accounting branch to do a good job. It is a tremendous task, a formidable undertaking to go over all these things and arrive at these figures from the records of the C.P.R.

It appears that the Board of Transport Commissioners in handing down their decision respecting the Dominion were willing to accept the variable costs advanced by Canadian Pacific Railway. There have been some changes, as is pointed out, but there is no explanation in the judgment as to the extent and allocation of the disallowances in respect of other items.

• (7:50 p.m.)

It seems to me that if the public interest is to be served, then surely when the railway company advances costs of this kind, there should be someone or a group of men in the offices of the Board of Transport Commissioners or the Department of Transport, who could undertake a thorough, detailed examination of these figures in order to insure that we do not simply accept this kind of thing from the Canadian Pacific. When the Canadian Pacific was examined at the public hearing, they could not even give details as to how they arrived at these costs. There were other items, such as the $1,932,000 claimed as road maintenance. However, when Mr. Nepveu, a Canadian Pacific witness, was asked to give an explanation of how he arrived at this cost, he admitted this was something the railway could not do. There had been a proportion of the total cost allocated to this train. When asked how long it may be before the Canadian Pacific could actually save this amount claimed in 1964, he said it might take 15 or 18 years.

I should like the minister to realize that this simply is not good enough if the public interest is to be served. I feel that we have to prove these items. In 1958, the Canadian Pacific came before the Board of Transport Commissioners and claimed an annual loss of $17 million on hauling grain out of western Canada into export position at Vancouver or the head of the lakes. Well, to the credit of the provinces of Alberta and Manitoba, they went to the trouble and expense of engaging the services of a cost accounting firm which went into the details of the variable costs of hauling grain. They came back to the Board of Transport Commisssioners, so I am told, and showed that there was a $500,000 net profit instead of a $17 million deficit. All this information was taken from the Canadian Pacific records.

Now, in fairness to the board and to the Canadian Pacific, the board did not accept this $500,000 net profit. I understand, however, that they did accept a figure of something like $2 million loss instead of the $17 million. If that same proportion of difference could be applied to these variable costs that are charged against the Dominion, probably there would not be a deficit at all. By having a different group of accountants go over these figures, they were able to show that there were $15 million that were not lost, so the $17 million was cut down to $2 million. I understand these figures were accepted by the Board of Transport Commissioners. I could go into a lot of detail about the obligation of the Canadian Pacific to the public because of public investment, but I am not going to do that at this time. Before we allow the company to withdraw services on the basis of figures of this kind that are supplied by the company and are not challenged, we should at least have the services of competent accountants who will do a creditable job of examining these figures.

Before I leave the subject of the Board of Transport Commissioners, I should like to suggest this to the minister: Now that this matter of railway passenger service in Canada has been referred to a parliamentary committee, I hope the minister is going to give approval to this committee's hiring the services of a competent cost accounting firm so that the committee can study these variable costs and do a respectable job in the interests of the public. One more thing, Mr. Chairman, is that there was absolutely no attempt made by the Canadian Pacific, at least I see no reference to it in the judgment, to find out what percentage of these variable costs attributable to the Dominion are, in fact, costs that can be saved by abandoning this train. What percentage of them would be continuing costs whether or not the company runs this train? Certainly a number of them, such as road maintenance, will continue even though this train is no longer running.

The question that immediately arises of course is, who is going to pay? Is it going to be the captive freight shipper who will be caught again in this squeeze if the company is able to show an increase in costs in

relation to revenues? There is one thing that is certain and that is that when the train is abandoned, the revenue is gone, the $10 million or $11 million in revenue which was claimed for 1964 operation, that is all gone. We do not know what proportion of these costs is going to be a continuing cost and charged to the captive freight shipper. I hope that the committee will be asking for assistance from experts. There will be some expenditure involved no doubt, but I hope the minister is going to respond favourably to this request so that the members of the committee will have these services available to them which will enable them to do a good job.

Now, Mr. Chairman, there is one other point I want to mention in which I believe the Board of Transport Commissioners have an obligation. I feel they have tried to meet this obligation by attempting to determine what the public interest requires in the way of service. I am speaking now particularly of passenger services. However, prior to August, 1965, I do not believe the Board of Transport Commissioners had any statistics or other information available to them from either the Canadian National or the Canadian Pacific as to the demand for railway passenger services. My reason for referring to this matter is that every member in this house, particularly those from western Canada, has received complaints, not by the dozens but by the hundreds, from people who were turned down week after week when they made requests for railway passenger service.

However, there is no information on this aspect of the matter in the statements filed by the railway company. They claim they do not keep such records. Unfortunately the Canadian Pacific continued to destroy what little evidence they had on this point, namely the waiting lists. Even after the Board of Transport Commissioners asked them to provide evidence as to the number of requests for services that were not filled, as outlined in the order issued September 8, the information was not supplied. If the Board is to do justice to the public interest, they must know how many people were turned down when they made requests for service. If the railways are going to equate the demand for service with what is available, then it is not good enough for them to come before the Board of Transport Commissioners and say that on a certain day the train was only 50 per cent or 60 per cent full because people have been making requests for this space and have been turned down. This situation has not changed since the Board issued its order for the railways to provide this information. There has been no great improvement in the reservation system to insure that trains are reasonably full.

• (8:00 p.m.)

I hope that the minister and the Board of Transport Commissioners will make an even greater attempt to find out reasonably accurately how many requests are being made for railway passenger service, quite apart from the number of passengers who are actually carried. It is not good enough to say that because a particular train was only 50 per cent full, that was all the demand for service there was; there may have been several dozen people telephone, write or otherwise contact the railway, only to be informed there was no space available. Each one of us here who has found it necessary to ride in one of these trains recently knows very well that your request for space can be turned down days before you want to go, yet when you do get on the train you find all kinds of space.

As a matter of fact, I have had a number of experiences where I applied for space, and right up till the last hour before the train left the station my application had been turned down. Because I happened to have a pass I boarded the train anyway, and on walking through the train found all kinds of space, both in the day coaches and in the sleepers. So I think there needs to be a far more detailed study of this question to make an accurate survey of what is the public demand for railway service.

I am sure the minister knows that a great deal more time could be spent on the subject of railway passenger service, but since the matter has been referred to the committee and the estimates for the ensuing year will be coming up very soon, I will leave it at that. However, I repeat that I hope the minister matter has been referred to the committee on Transport and Communications to ask for sufficient expense money, and so on, so that they can use the services of competent people in examining these statements of variable costs which are advanced by the C.P.R.

Mr. Pickersgill: Mr. Chairman, I wonder whether I could just say a word with respect to the demand made first by the hon. member for Oxford and repeated by the hon. member for Medicine Hat. I think a review should be made without any delay of the facilities we

have, both in the Board of Transport Commissioners and in other branches of the government, for the checking of railway accounting in an independent way. I intend to have that matter looked into without any delay whatever.

If I could just say a word with respect to the other point raised by the hon. member—though I am not a member of the committee and he is—it is not customary for ministers to try to prejudge these questions. I feel quite sure that once the committee has embarked upon its study—I hope it will be done in this way—of the passenger service, if they then find that they need extra assistance—and I think it would be easier for Treasury Board, in providing this kind of service, if there had been a clearly demonstrated need—I cannot conceive that the government would be at all hesitant about seeing that it is provided. But I hope there will be a few meetings first just to see precisely what kind of assistance would be most appropriate.

Mr. Nasserden: Mr. Chairman, I should like to reinforce the arguments which have been put forward by the hon. member for Oxford and also for Medicine Hat regarding a secretariat of some kind for the Board of Transport Commissioners and their rail line rationalization program to look after the applications which may be put forward. I think this would be a very important part of such a program if it is to meet the objective that this parliament and the people of this country feel is most wanted in view of the recommendations made regarding rail line rationalization.

There is one other matter I should like to bring up, and I will be brief. It concerns the growing need for more overpasses along our railway system than we have at the present time. With these large diesel units we have trains consisting of 150 to 220 freight cars. At points like Warman, north of Saskatoon, a junction where one line goes west, one line goes east and another goes north, the track is blocked by trains crossing for sometimes as long as 80 minutes, often for 50 minutes. This is quite an inconvenience for people who want to cross the track and have to find another crossing some two or three miles away.

I should like the minister to try to bring forward a program which will provide more money for this purpose than is provided at the present time. As a matter of fact, almost every station along the way from Saskatoon to Humboldt and also up to the Battlefords has a real problem in this regard, and it should be looked into.

Mr. Orlikow: Mr. Chairman, I rise to add my support to the suggestion made by the hon. member for Oxford and the hon. member for Medicine Hat that the minister not only take whatever steps are necessary to see that the Committee on Transport and Communications have the staff to do the job, but also that he give serious study to the urgent problem of supplying the Board of Transport Commissioners with the type of staff, both in numbers and in training, which, by statute will do the job they are required to do. Because if they do not do the job which has been given them, no one can do it.

I want to associate myself with the hon. member for Medicine Hat, who spoke of the fact that members of parliament, among others, have had the experience of being told, when they have tried to get accommodations on a train, that there are none, yet when they get on the train find it half empty.

Some two years ago I remember talking to the chairman of the Board of Transport Commissioners. I suggested to him that the C.P.R.'s removal of the dining car and sleeping accommodations from the Dominion could mean only one thing, and that was that the train would carry so little traffic that in a very short period of time the C.P.R. would go to the board and argue that they should have permission to discontinue the train for lack of passengers. Of course the train had no passengers. The C.P.R. set out deliberately to kill the Dominion. The Board of Transport Commissioners were warned but did nothing about it. The C.P.R. then asked for permission to discontinue the Dominion, and they were given that permission.

I spoke last week to one of the commissioners about the Canadian, because I have been told of people in Winnipeg who have already had some experiences apropos this train. People have phoned to make a reservation for sleeping accommodations and have been told there are no accommodations for that particular day. Nevertheless they have boarded the train and have found it half empty.

What did the commissioner tell me in this respect, Mr. Chairman? He said: "You supply us with the evidence and we will take action". Members of parliament are not a regulatory society or private detectives. Surely this matter is the responsibility of the Board of Transport Commissioners. I suggest

to the minister that the Board of Transport Commissioners be given the job of making sure that the C.P.R. does not do with the Canadian what it did with the Dominion.

• (8:10 p.m.)

Mr. Chairman, I think I should express the views of many people across Canada who have already said with apprehension that it is the intention of the C.P.R., one way or another to get out of the passenger business. Many people do not think that that is proper. I have said before, and I will not go into great detail about it now, that it is my opinion that the Canadian Pacific made a contract with the people of Canada, and with the Government of Canada, when that company was established, which it ought not be allowed to break. It ought not to be permitted to discard that part of the business which is unprofitable and to keep that part of the business which is profitable.

Mr. Chairman, I do not want to spend much time on the Canadian Pacific and its railway operations as governed by the Board of Transport Commissioners. That has already been admirably done. I wish to speak of another matter under the jurisdiction of the Board of Transport Commissioners. Many speak about telephone rates. In the month of September, 1964, the Board of Transport Commissioners decided that it would be in the public interest to review, through public hearings, the whole question of telephone rates and costs of operating telephone systems in Ontario and Quebec. Public hearings were held.

Mr. Chairman, the Canadian Federation of Mayors and Municipalities together with the Association of Ontario Mayors and Reeves, the Ontario Municipal Association, and the Union of Quebec Municipalities acting for a long list of local cities and municipal governments, made a submission to the Board of Transport Commissioners. I believe it was on February 5, that the board heard from them, and from various other interested parties. The findings of the board were to be made in December, 1965. We are now approaching the latter part of February, 1966, and there is little indication when the board will actually bring down its findings. It may be, Mr. Chairman, that the board has not been able to do the job because it was busy with hearings in connection with the Dominion which was operated by the Canadian Pacific. This, however, only proves the point raised by the hon. member for Medicine Hat, to the effect that the board has not the kind and quality of staff to do the job it is required by law to do. Millions of dollars are involved in these hearings.

In 1958, after hearing submissions from the Canadian Federation of Mayors and Municipalities, in the judgment which it handed down the board said:

> By its judgment of 1958 the board allowed as reasonable a permissible level of earnings per share of $2.43, sufficient to maintain the historic $2 per share dividend and an additional 43 cents per share surplus.

This was confirmed in 1958, despite Bell's request for $2.65 per share.

Despite this judgment, however, in every year since 1958 Bell Telephone earnings have been substantially higher than the $2.53 permitted by the Board. In 1959 they had earnings of $2.48 a share, in 1960, $2.52 a share, in 1961, $2.50 a share, in 1962, $2.66 per share, and in 1963, $2.58 a share. It has been estimated in 1964 that earnings have been at $2.69 a share.

Despite the fact that the Board of Transport Commissioners in its 1958 hearings had ruled that the earnings should be 5.9 per cent on the share capital, Bell Telephone's earnings have been anywhere from one half of 1 per cent to 1 per cent over that, every year since then. Mr. Chairman, this has meant that the telephone users in Ontario and Quebec have been paying somewhere between $10 million and $20 million a year more than the board ruled in 1958 should have been paid to the telephone company. The Board of Transport Commissioners to my knowledge has done nothing about this overpayment. As a matter of fact, Mr. Chairman, the Bell Telephone Company has had the gall, despite the fact that it has earned more than the board authorized in 1958, to ask that their earnings be permitted to be calculated on the basis of 7 per cent of their share capital.

Mr. Chairman, it seems to me that the Board of Transport Commissioners has a responsibilty not only to find what the proper rate for a public utility such as Bell Telephone should be, but it has a responsibility to see that having issued an order, the order will be complied with. Otherwise, there is little purpose in the board's issuing an order, and there is little purpose in the government of Canada giving to the board the responsibility to do the job.

May I suggest to the minister and to the members of this house that when the committee on transportation meets, that we not only

hear from the Canadian Pacific, but also from the members of the Board of Transport Commissioners. I think it is important, Mr. Chairman, that we know why the things that the law requires the Board of Transport Commissioners to do are not being done. If laws as they are drafted do not give the authority to the Board of Transport Commissioners to issue orders, which are supposed to regulate companies such as Bell Telephone, then I think that parliament should give to the board powers to do that. If the reason for the dilatory actions of the board is that it does not have sufficient staff, then I think that the committee of the house and the government should see that sufficient members of staff are appointed to do the job. Let us give to the board the tools to do the job, because the complaints which I express are very legitimate.

May I suggest to the house and to the minister that if the board needs another dozen economists, in order to do its job, or another 15 statisticians, that the cost to the people of Canada would be a very small one compared with the benefits that would be derived if the board could do the job which the law and the government of this country has given to it. So far that job, in my opinion, is one that the Board of Transport Commissioners has not done. I think that the members of this house ought to find out from the Board what it thinks it has been doing, and what it thinks it needs to get on with the job which it has been instructed to do, so that the Board can look into questions of railway costs, railway profits, railway services, telephone costs, and telecommunication and other industrial services which come under its jurisdiction.

Mr. Chairman, I hope the minister will not only give to the committee authority to carry out what I have suggested, but will himself take the responsibility which I think is his to take a new and very severe look at the Board of Transport Commissioners and its operations, with a view to ascertaining that it do the regulatory job it ought to be doing.

I would commend to the minister the case of the California Public Utilities Commission which, in order to hold the line when it came to telephone costs, ordered a refund of $60 million to the consumers of California, because it had come to the conclusion after conducting studies that the telephone company of California had overcharged its consumers by that amount. I would suggest, Mr. Chairman, that the minister look at this, so that we may really come to grips with the Board of Transport Commissioners, and allow it to do the job which it is required to do.

[Mr. Orlikow.]

Mr. Pascoe: Under the items connected with the Board of Transport Commissioners I think I should make a brief explanation, or clarification. In *Hansard* on February 15, on page 1287 the Minister of Transport stated, and I quote:

> The mayor of Moose Jaw, who is spokesman for eight or ten cities across the prairies has indicated clearly that they are not appealing the decision about the Dominion but are coming to make representations to the cabinet about passenger service generally.

• (8:20 p.m.)

This is a correct statement, but it may carry the implication that the eight cities from Calgary to Winnipeg which were mentioned are not concerned about the sudden cancellation of the Dominion.

Mr. Pickersgill: I am sure the hon. member does not think I intended to convey such an impression.

Mr. Pascoe: In any case there is little desire to have the Dominion reinstated along the lines of the service operated in the past year without diners or sleeping car accommodation. I just wish to emphasize that there will be a strong demand from this delegation for adequate rail passenger services on the prairies.

I think it is my duty to bring this matter up because I have had calls already from Moose Jaw arising from the statement made by the minister. I know he did not mean to imply that we were not concerned about the Dominion, but I thought I would mention it anyway.

Mr. Pickersgill: I am grateful to the hon. member for doing that.

Mr. Orlikow: I do not wish to hold up the passage of these estimates: The discussion has certainly gone on long enough. But would the minister find out and tell the house, possibly during the question period in the next couple of days, when it is likely the Board of Transport Commissioners will be issuing a finding on this question involving the Bell Telephone Company. The municipalities affected are very concerned about the delay.

Mr. Pickersgill: I will try to get more precise information in the course of the next little while. The chief commissioner tells me the period is not expected to be very long but he does not wish to be precise without consulting his colleagues.

[*Translation*]

Mr. Caouette: Mr. Chairman, I shall not take very much time. I see that the minister is quite rested. I should only like to say how edifying it was for me to hear the hon. member for Oxford (Mr. Nesbitt) mention a few minutes ago a letter he has received from the board of transport commissioners in connection with a level crossing in the town of Ingersoll, Ontario.

I believe the only reason for the existence of the board is not to serve a political party in preference to another, an individual instead of another, but rather to act in the general interest of the country, instead of the personal interests of an individual or a politician, regardless of who he is.

However, in many counties, some people tried to influence and fool the board of transport commissioners. Some even sought to have the commissioners render judgments which were not in the best interests of the public in general.

Mr. Chairman, a request concerning improvements in Rouyn-Noranda is now before the board. As the hon. member for Oxford said a while ago, whenever a project is before the board, the member representing the county concerned is usually the last one to hear about it. Why? I believe it is because intrigants and election organizers are taking every possible means, normal or otherwise, to leave the member of parliament in the dark as to what is going on in his own riding, especially if he sits in the opposition.

Now, in my constituency, it is easy to find out what happens. Nevertheless, some people try to disregard it. When the commissioner or his secretary or the Commission writes, they should not assume that the member of Parliament is only remotely interested in these developments or in any change which might affect his constituency. It seems to me that the Commission, or the secretary or the organization should know that the member of Parliament is primarily interested in what goes on in his constituency, as he represents the people of the constituency.

Let the Commission forget about politics and let it get on with its job. I believe the minister should insist that in connection with applications made in a constituency the Commission should inform first of all the member for that constituency who is not the representative of a party, but the representative of the electorate generally.

[*English*]

Item agreed to.

Canadian Maritime Commission—

95. Capital subsidies for the construction of commercial and fishing vessels in accordance with regulations of the governor in council, $25,000,000.

Mr. Barnett: This item concerns capital subsidies for the construction of commercial and fishing vessels. I shall not ask the Minister of Transport to define or redefine what he has in mind when he talks about commercial vessels; we had considerable discussion on that point at an earlier stage during the consideration of these estimates. However, I should like to inquire of the minister at this point, bearing in mind some remarks he made on February 15 as reported at page 1286 of *Hansard,* concerning a visit by the Premier of British Columbia to Japan—

Mr. Pickersgill: Could I draw the attention of the hon. member to the fact that those remarks related to proposals for new subsidies which are not before the committee at all? This item refers only to transactions under the subsidies which were previously in effect and I think that in view of the tremendous latitude allowed under clause 1 it is not unreasonable to suggest that on the other items we remain within the scope of the estimates.

Mr. Barnett: The minister may be technically correct on that point but I hasten to assure him it is not my intention either to make a speech or to ask him to make a speech at this stage. I referred to his earlier remarks merely to recall the previous discussion to his mind.

• (8:30 p.m.)

I wish to ask him merely whether since that discussion took place in the house he has had another communication directly or indirectly from the Premier of British Columbia with regard to the question we had under discussion which involved a reference concerning the Premier of British Columbia going to Japan, and a reference to the fact that the minister's heart would not be broken under certain conditions, or if he were forced to change his mind in certain respects. Since that time has the minister had any communication with B.C. on subsidies for the construction of commercial vessels?

Mr. Pickersgill: If I can answer that question without provoking further discussion I would say the minister himself has not had any communication, but I understand the

Prime Minister has received a communication from the Premier of B.C. and it is now under consideration.

Mr. Crouse: I know the minister will agree with me that the policy of subsidies for the construction of commercial fishing vessels has been most helpful in re-establishing the fishing industry in the maritime provinces. At present the subsidy payment is 50 per cent on steel construction and 35 per cent on wooden construction.

Mr. Pickersgill: I am not absolutely sure about wooden construction, which is administered by the Minister of Fisheries.

Mr. Crouse: When the various authorities are so divided it adds to our confusion. Has any consideration been given to increasing the wooden subsidy from 35 per cent to the 50 per cent rate?

Mr. Pickersgill: Since the Minister of Fisheries is present and has heard the question I suggest he be allowed to answer it on his estimates.

Mr. Crouse: I note the minister's request and I will acquiesce.

Mr. Pickersgill: I am very grateful to the hon. member. Item agreed to.

St. Lawrence seaway authority—

105. Operating deficit and capital requirements of canals and works entrusted to the St. Lawrence Seaway Authority with the approval of the Governor in Council, and to authorize, notwithstanding the Financial Administration Act or any other act, the disbursement by the authority of revenues derived from the operation and management of such canals and works, $2,698,000.

[*Translation*]

Mr. Laprise: Mr. Chairman, while we are on vote No. 105, I wonder if the minister has tried to get the government out of the blind alley in which it is now so far as the St. Lawrence Seaway is concerned.

Looking over the report of the St. Lawrence seaway authority for 1964—I am sorry I do not have the 1965 report because it has not been tabled yet—I see that the authority had a net operation revenue of $4,582,385 but that, due to loan interest payments amounting to $18,064,000, the net loss for the year amounted to $13,481,842. So, in spite of a revenue of $4.5 million, it showed a deficit of $13 million because of the interest on the debt.

When I consider what happened since the beginning of the St. Lawrence Seaway, I note that the Authority has incurred a deficit of $78 million, due to the interest on the debt. The development of the seaway, which should have been an asset for Canada, has become a financial burden for Canadians, because of the way the project has been financed.

I ask the minister what he intends to do to solve this problem. My curiosity was aroused when under item No. 105, I saw an operating deficit of $2,446,000, and when under item L90 concerning loans and advances, I noticed a loan of $19 million to the Authority.

I ask the minister to tell us how he intends to find a way to finance the seaway without it being a burden on the Canadian people.

[*English*]

Mr. Pickersgill: Since to answer the hon. member's question would require quite a long time, would he be agreeable if I undertook to deal fully with this subject on my 1966-67 estimates, at which time I hope the negotiations with the United States would be advanced to a stage where I could say something more illuminating about them than now?

[*Translation*]

Mr. Caouette: Mr. Chairman, we quite agree, as the minister asked, to wait for the 1966-67 estimates to raise all these points again and receive an answer from the minister.

We are ready to co-operate because he is tired. For seven days now he has been asked questions which he must answer for hours on end, day after day. However, I wish to warn him that the 1966-67 estimates will perhaps be voted less easily if we do not have by then the answers we are waiting for.

[*English*]

Mr. Pickersgill: I will do my very best to give them, and give them completely and accurately.

Mr. Cowan: I would like to ask the minister, since the run-off into the Great Lakes and down the St. Lawrence is now starting to swing into the spring of 1966, who sets the water level in the St. Lawrence Seaway? Does the St. Lawrence Seaway Authority have to do it, or is it subject to the St. Lawrence River Board of Control? Is it not possible to set the minimum level in lake Ontario at 244.78 feet? It is now nine inches lower than the 94-year average.

Mr. Pickersgill: The St. Lawrence Seaway Authority has no control over the levels. It is the other body to which the hon. gentleman refers.

Mr. Cowan: Then may I ask what does that come under—the St. Lawrence River Board of Control?

Mr. Pickersgill: I understand, the commission—the I.J.C.

Item agreed to.

Atlantic Development Board—

112. To authorize expenditures, in the current and subsequent fiscal years, not exceeding in the aggregate $30,000,000 as the federal share of costs of a trunk highway program for the provinces of Newfoundland, Nova Scotia, Prince Edward Island and New Brunswick in accordance with agreements entered into by the Atlantic Development Board and the respective provinces; estimated expenditures in 1965-66, $10,000,000.

Mr. Howard: This provides for an amount of $30 million over an unknown number of years, as a contribution by the federal government to a highway system for the provinces of Newfoundland, Nova Scotia, Prince Edward Island and New Brunswick. This is being done under the aegis of the Atlantic Development Board, but nevertheless is still a federal contribution to a highways system in the four Atlantic provinces, in addition to the trans-Canada highway system. I assume these two highway systems would not be overlapping, although they may interconnect at some point. Can the minister tell us what percentage this $30 million represents of the total cost?

• (8:40 p.m.)

Mr. Pickersgill: It is 50-50.

Mr. Howard: It could be 50-50.

Mr. Pickersgill: It is 50 per cent.

Mr. Howard: Fifty per cent is the figure which applied to the orginal agreements undet the Trans-Canada Highway Act which was subsequently amended, as we know, to provide that on certain mileages the contribution could be 90 per cent. However, in the long run it is the same principle that was established when that act initially came into force.

The point I want to make is this. Ever since it was known that portions of the Trans-Canada highway in the western provinces were going to be completed before portions in other provinces, there developed pressure for the building of what we might loosely call a second trans-Canada highway in the western provinces. There was some dispute as to the route this proposed highway should take, but that is a mere technical aspect that could easily have been ironed out had there been authorization at the federal level for federal contribution to this second highway.

At one stage when a former member of this house, Hon. Jean Paul Deschatelets was the minister of public works, there was a plan in existence to call a national highways building conference. Those of us from the western provinces had hopes that there might have been an agreement worked out at that conference under which we could build a second trans-Canada highway system in the western provinces with federal money being contributed on a basis similar to that used for the present trans-Canada highway. We did not have that hope with the idea that the needs and desires of the Atlantic provinces and the two central provinces should not be met, but merely because we were interested in the west and our thoughts were directed toward highway building programs in those provinces.

That proposed national highway building conference was cancelled almost on the eve of its first meeting after a federal-provincial fiscal conference in Quebec City because of pressure by Premier Jean Lesage to increase the amount of federal payments in the corporate and personal income tax field. The announcement made by Mr. Deschatelets was to the effect that the federal government could not provide any further money for additional highway building programs beyond what it had committed itself to, namely the trans-Canada highway and the roads to resources program because it was giving additional amounts of money under the federal-provincial tax sharing arrangements. Everyone accepted that statement, with some disgruntlement, as being logical. This is the first opportunity we have had to deal with the estimates relating to this matter, but more than a year ago an announcement was made to the effect that under the Atlantic Development Board structure the federal government intended to contribute $30 million to a highway building program in the four Atlantic provinces.

It seems strange, Mr. Chairman, that the government could not find a single solitary cent for any highway building program with national implications other than the trans-Canada highway, yet nine months later it found $30 million for the Atlantic provinces. Surely we are now being asked to vote for something being done on a discriminatory basis even though it is being done through the Atlantic Development Board. I submit that is a minor technicality. If the federal

government can dig up $30 million over the next few years to contribute to an additional highway building system embracing the four Atlantic provinces, it could dig up a certain amount of money for a similar program for the four western provinces.

That is only fair and equitable. I do not intend my remarks to exclude Ontario and Quebec but I do not know what their highway building requirements are. I am only referring to the western provinces, British Columbia, Alberta, Saskatchewan and Manitoba because various oragnizations promoting a second trans-Canada highway have existed there for some time.

Again I suggest that by authorizing the expenditure of this additional $30 million the government is authorizing discrimination. I know this statement will be received unhappily by the Atlantic provinces, and I am sure the statement will be made that I am against highway building programs. I certainly am not against this type of program, but I am not in favour of the kind of discrimination on the part of the federal government that existed in the cancellation of the national highways building conference, on the basis that the government could not find any money for this purpose because it acceded to the demands of Premier Jean Lesage. This action is outright geographic discrimination and not worthy of a government that supposedly thinks in terms of national unity.

I hope the minister can inform the house at this time that there are plans in existence to give some sort of fair treatment to the western provinces in so far as national highway building contributions are concerned. If the minister can indicate that this is in the hopper, perhaps I will change my view, but at the moment I am not favourably disposed to voting for this item now before us.

Mr. Pickersgill: Mr. Chairman, I do not expect to change the hon. gentleman's opinion but I think I ought to point out two facts. In the program which the party now forming the government of Canada placed before the electorate in 1958, 1962 and 1963 we specifically and publicly undertook, in addition to paying 90 per cent of the cost of completing the trans-Canada highway in the Atlantic provinces, to make a contribution to a trunk road program in those provinces. We advocated this from coast to coast in all our literature. I think we could have been accused of bad faith had we not carried out that undertaking.

• (8:50 p.m.)

While it is true that the $30 million to which the hon. gentleman referred was not in itself referred to in the announcement by the former minister of public works, the first instalment of $10 million which came directly out of the Atlantic development fund had already been allotted before that time. In other words, this policy was under way before that highway conference was postponed. It was postponed, as I think the hon. gentleman rightly stated, because the government increased very substantially the unconditional payments and abatements allowed the provinces. The government at that time did not feel it could pay these very large additional sums of money to these provinces, or allow them to collect them without double taxation, and at the same time embark upon another trans-Canada highway program. That was the situation. The situation also is that the trunk road program was part of the program on which the present government was elected, and part of the reason we are now sitting here. I think it would have been a shocking thing for us to have put this program before the people—and it was put before the people all over Canada—and then not carry it out.

Mr. Howard: Mr. Chairman, I want to commend the minister for carrying out the promises of his party. This is a new look, really, which we do not usually notice. It is a commendable course. I only wish he had put it fully into effect, because in 1958 his party, and his leader also, campaigned—maybe he does not know this—on the basis of building a second trans-Canada highway in western Canada. As far as British Columbia was concerned, he even had a map and he had the road drawn on the map and what he was going to do. I have not the map here, but if the minister wants to hold up this item I will run up to my office, take it out of the file—I still have it—and bring it back to him. The minister's name is attached to that particular piece of Liberal propaganda. The same situation existed in 1962 and 1963.

Mr. Pickersgill: No.

Mr. Howard: Now the minister says he changed his policy; in 1958 he spoke about a trans-Canada highway in the four western provinces, but he now says he did not have that policy in 1962.

Mr. Pickersgill: Mr. Chairman, the hon. gentleman is quite right; it was in the program of 1958, but if the hon. gentleman

remembers, the program of the Liberal party in 1958 did not commend itself very much to the people of Canada.

Some hon. Members: Oh, oh.

Mr. Pickersgill: It was not in the program of 1962, 1963 or 1965, and it was not there, I think in the main, because it was concluded that a better way of dealing with this problem on a nation-wide basis was to increase the amount of revenue available to the provinces and increase the amount of equalization so they could do this job by themselves.

Mr. McIntosh: Just like $2 wheat.

Mr. Pickersgill: We were supported in this house very strongly by the predecessor of the party to which the hon. gentleman now belongs—and the hon. gentleman was in the house then—when we were in opposition between 1958 and 1963, by the then C.C.F. party, who said we should do something special for the Atlantic provinces. We said we would do it; we said it from one coast to the other, and we are doing it. We have no apology to make for carrying out our undertaking.

Mr. Howard: There are two or three, not facts but truths which have to be mentioned here, Mr. Chairman. I should like to deal with this matter. The minister rose and announced that this was a Liberal election promise they were carrying out. He was the one who mentioned that it was part of the election program in 1958; I merely followed suit and said this was so. This second trans-Canada highway was promised to western Canada and, as I say, I have the map, documents and literature to show the minister if he wants them.

The other thing that was most revealing was that in 1958, when his party had no expectation or hope of forming the government, they put this in the program for western Canada. The minister now admits that in 1962, when they did have a hope of forming the government, they took it out. This is absolutely shameful. Again let me point out to the minister, and I say this regardless of what he contends was the situation in 1962 and 1963, that in the election campaigns of 1962 and 1963 the Liberal party went out to western Canada and promised to build a second trans-Canada highway. The minister and the parliamentary secretary can shake their heads until the marbles roll around in them.

Some hon. Members: Oh, oh.

Mr. Howard: That is the fact. It is not only a fact, it is a truth and no shaking of your head will erase it. I think it is a shameful disgrace for the minister to stand up here and beat his chest about living up to election campaign promises in one part of the country, and then try to shuffle out of his responsibility in another part of the nation. And he talks about national unity.

The minister reminds me of one of the ancient Roman gods, Janus, after whom January was named. He was called Janus because he had two faces; he could look both fore and aft. This is the situation here exactly. If the minister wants to hold up this item I will go up to my office and get the campaign literature for 1962 and 1963, bring it down and show it to him so he can repudiate again in public that which is the truth.

I say to the minister quite bluntly, you either do not know what you are talking about or you know what you are talking about and you are covering up. It is discrimination against the western provinces. You know it, I know it and the people out in western Canada know it, too.

Mr. Bell (Saint John-Albert): Mr. Chairman, on the item concerning the Atlantic Development Board I am sure quite a few members would like to ask questions. However, I think we would be satisfied if the minister would make it his business to make certain that the new estimates were in a particular way referred to a committee where the members from the Atlantic provinces could question the officials of the board. The expenditures used to be of a technical nature but now they are becoming quite direct. Although information has been tabled in the house in this regard, I am sure we all want to get closer to our pet projects and have the information that is available.

Mr. Pickersgill: As a matter of fact I will be very glad to propose that and I hope the committee will agree to my proposal.

Mr. Bell (Saint John-Albert): I second that.

The Chairman: Is the proposal carried?

Some hon. Members: Carried.

Mr. Howard: It doesn't carry with my vote, Mr. Chairman; I just want to indicate that again.

Mr. Fairweather: You are a great national fellow, a great nation builder.

The Chairman: Shall vote 112 carry?

Supply—National Defence

Mr. MacLean (Queens): Just before the vote carries, Mr. Chairman, I want to say a word which I would have preferred to say after the vote had carried. Although the minister may find this hard to believe, there are a great many members who have practised great restraint over the last few days and have not asked any questions or made any speeches on his estimates because they recognize that these estimates are eleven twelfths voted already by virtue of interim supply, and are pretty well redundant.

However, there is a whole Pandora's box of questions which relate to his department and to which we shall require answers when the current estimates are before the committee. I hope by that time the minister will have found some way of packing a lot of facts into a few words, instead of packing so many words into so few facts as he has been doing for the last few days.

I think we can assume that the minister's estimates are now completed—I hope they are—and I want to congratulate him on having achieved the passage of his estimates. I do not think there is a single member of the committee who, were he in the minister's place, could have achieved this in much less than about a quarter of the time.

Mr. Bell (Saint John-Albert): To put it succinctly, Mr. Chairman, the minister really talked out his own estimates.

The Chairman: Shall vote 112 carry?

Some hon. Members: Carried.

The Chairman: This completes the estimates of the Department of Transport. The committee—

Mr. Pickersgill: Mr. Chairman, if you would allow me I should like to thank all hon. members for their restraint. I realize that if only the minister had not spoken on these estimates the amount of time taken by all the other members would have been so short that they would have passed on a Wednesday afternoon.

An hon. Member: That's right.

Item agreed to.

The Chairman: The committee will now proceed to the consideration of the estimates of the Department of National Defence, item No. 1, which is to be found on page 252.

• (9:00 p.m.)

DEPARTMENT OF NATIONAL DEFENCE

1. Departmental administration, including grants to military associations, institutes and other organizations as detailed in the estimates and authority,

[The Chairman.]

notwithstanding section 30 of the Financial Administration Act, and subject to allotment by the Treasury Board, for total commitments of $2,560,546,715 for the purposes of votes 1, 5, 15, 20, 25, 30, 35, 40 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 $1,044,262,000 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 in respect of assistance rendered to the United Nations, any party of the North Atlantic Treaty Organization or any provincial or municipal government, $5,204,855.

Mr. Hellyer: Mr. Chairman, it is almost two years since the White Paper on Defence was tabled in this house. During those two years, the Department of National Defence has been busily engaged in implementing the policies set out in the White Paper, including sweeping changes in its organization forecast at that time.

In introducing the 1964-65 estimates, I summarized my remarks by stating:

—that notwithstanding the reduction in expenditures, we will have achieved, within two years, a significant qualitative improvement and operational capability of our armed forces.

That improvement is being achieved as I shall outline for you in the course of my remarks today.

First, I should like to take this opportunity, on behalf of my associate and myself, to pay tribute to all those in the department whose diligent work has contributed so much to the success of this immense project. As hon. members are aware, each new step has to be carefully studied and evaluated in relation to the whole and in relation to the final objective. The fact that our progress towards a completely unified functional force is well in advance of what we might reasonably have hoped for reflects the spirit and enthusiasm with which the task has been undertaken.

I should like also to publicly thank my Associate Minister for his wonderful co-operation. He carries the bulk of the administrative load in the department and performs his tasks in a most efficient manner. Without his help it would be impossible to cope with the extraordinarily heavy work load in the department, particularly during this period of intense activity.

As hon. members are well aware, the probability of a major war arising directly between the NATO powers on the one hand and the Soviet Union and the Warsaw pact powers on the other is remote and would be disastrous for east and west alike. Nevertheless we must recognize that the political

problems of central Europe are not yet resolved and the Soviet military capability is not only being maintained but steadily enhanced. We continue to regard our membership in the North Atlantic Treaty Organization and our military support to it as being important to our security.

It is clear that instability in other parts of the world has, and will continue to result in conflicts which can endanger our security. Canada has been able to contribute military forces in some of these potentially dangerous situations to provide the stability for the political actions necessary for a peaceful solution to proceed unfettered by the bitterness and passions of active hostilities. No one, I believe, can be certain that circumstances will not arise in the future where active participation of Canadian forces would be in the interests of our national security. The military forces of today must have the capability of responding quickly, and the flexibility to meet a wide variety of demands that may be placed upon them to protect the security of this country. This, among other things, means first class personnel, appropriate equipment to provide the required flexibility, means of rapid transport and an organizational structure from the headquarters down which can provide clear and decisive direction. There is still much to be done to achieve the military posture that we have set out to achieve, but I am satisfied that we are well along the road and I propose to give you some of the facts that substantiate this conclusion.

In order that Canada's armed forces might make the maximum contribution in terms of effectiveness to the deterrents of war and the maintenance of peace, it was announced in the White Paper in March, 1964, that the headquarters of the Royal Canadian Navy, the Canadian Army and the Royal Canadian Air Force would be integrated on a functional basis as a first step toward a single unified defence force for Canada. This functional integration began on August 1, 1964 and has been going forward continuously since that date. Integration of the staffs at Canadian forces headquarters is now largely complete. Already the total number of persons employed at headquarters has been reduced by more that 1,000 and the work is continuing as efficiently and, in the opinion of the most senior departmental officers, more effectively than ever before. When the one time work load due to the changes related to the integration process itself have been performed, a total reduction in staff of approximately 30 per cent will have been achieved.

The second step in the integration process was the development of a new command structure for the Canadian armed forces. This structure had to be efficient in design, consistent in pattern, require a minimum of overhead, and responsive and effective from a military point of view. On June 7, 1965, fully three months ahead of schedule, a new functional command structure, in which the former eleven commands were reduced to six, was announced. These were, mobile command, maritime command, air defence command, air transport command, materiel command and training command. The No. 1 air division in Europe and the No. 4 Canadian Infantry Brigade group in Europe were left to continue to report directly to the Chief of the Defence Staff in order to maintain maximum operational effectiveness during the transitional period. Now, six months later, all the command headquarters have been created and either have assumed or are in the process of assuming their new responsibilities.

The formation of mobile command is basic to the philosophy of Canada's new defence policy. The largest of the new functional commands, its task is to operationally train and maintain the land elements of the Canadian force and its tactical air support, and to keep this force in a state of combat readiness which will enable it to be deployed in units of the required size to meet Canadian commitments and undertakings anywhere in the world. These commitments range from reinforcing the European sector as a contribution to the deterrence of general war, to United Nations peace keeping operations. The prime ingredients in the force are quick reaction-time, the ability to go where required with dispatch, and to perform its tasks with maximum effectiveness. The decision to introduce into this command, which was formed officially October 19, 1965, tactical air squadrons equipped with the new CF-5 will increase to a marked extent both the capability and flexibility of the mobile force. Tactics and doctrines will be developed as the squadrons are formed and are able to exercise with the land elements they are required to support.

The acquisition of the Voyageur helicopter and the de Havilland Buffalo, short take-off and landing military transport will give the mobile command a greatly enhanced tactical capability. Strategic transport for mobile command will be provided by air transport

command, and the sea element by maritime command.

The special service force concept, announced in the White Paper to apply to one brigade, has now been expanded and current plans call for two brigades to be converted, on a planned basis, to this concept of air transportability, with an additional airborne battalion group for added flexibility and quick response to domestic needs and overseas commitments as they arise.

The primary mission of maritime command continues to be the anti-submarine role. Its secondary role, as stated in the White Paper, is the provision of sealift and other related naval capability to mobile command. Maritime command was officially formed on January 19, 1966, and the integration of the naval and air elements under one commander will provide an even closer relationship between the various units engaged in the same basic mission. Headquarters, maritime command, is at Halifax, while the deputy commander, maritime commander Pacific, will have his headquarters at Esquimalt, British Columbia.

• (9:10 p.m.)

The fleet modernization program announced last year is continuing. The post second world war destroyer escorts, refitted with modern equipment, have an antisubmarine surveillance and operational capability far greater than ever before. The introduction of helicopters as part of the weapons system has contributed markedly to this increased capability from the standpoint of range, speed, area of coverage, and general effectiveness. The introduction of ASROC, a long-range, rocket-assisted torpedo delivery system, will provide an additional substantial increase in target-destruction capability.

The most recent addition to maritime command has been H.M.C.S. *Ojibwa*, the first of three "O" class submarines. These submarines have the dual capability of providing the rest of the antisubmarine forces with antisubmarine warfare training and at the same time being additional operational units. In April, the First Canadian Submarine Squadron will be formed to operate out of Halifax. The Argus, Neptune and Tracker aircraft assigned to maritime command are also receiving mid-life re-equipment which will provide them with an improved capability.

Materiel Command, with headquarters at Rockcliffe, is being organized to provide logistic support of the Canadian armed forces. It will be charged with the responsibility of providing faster, more efficient service and at the same time of eliminating the duplication and triplication which exists with three separate supply systems. By making full use of electronic data processing equipment, it will eventually be possible to provide better service, maintain smaller inventories and at the same time to operate with substantially fewer personnel, thus freeing more of the armed forces establishment for operational requirements.

Training command, with headquarters in Winnipeg, will provide the individual training, including flying training and trades training, for all service personnel required by the Canadian armed forces. On January 1 this command assumed command and control of the R.C.A.F. units which formerly composed Air Force Training Command and functional control of the Royal Canadian Navy and army individual training schools. In April of this year it will assume full responsibility for the R.C.N. and army training schools.

The Canadian Services Colleges, army and air force staff colleges and the National Defence College will continue under the control of Canadian forces headquarters for the time being, but plans to operate an integrated staff college course are well advanced.

The introduction of the M.113 armoured personnel carrier to our NATO brigade group in Europe is now nearly complete. This has given the brigade group a greatly enhanced operational capability and, for the first time, the armoured protection it would need in the face of a fully mechanized opponent. The delivery of the ENTAC and SS.11 anti-tank guided missiles will be augmented by the introduction of the Carl Gustav medium anti-tank weapon now coming into service. The fire power of the brigade will be further improved by the introduction of the new British 81 millimetre mortar to replace current holdings. This mortar has an appreciably greater range than the one it replaces. In further support of the brigade and field forces, a variety of major and minor equipment is being purchased. For example, bridge-layer tanks, which permit the rapid crossing of small water or dry gaps, will be delivered to the 4th Canadian Infantry Brigade Group this summer.

The introduction of the dual capability for our strike attack squadrons in Europe is continuing and will be complete later this year. At that time our six squadrons in Germany

will be fully operational in the non-nuclear attack role as well as in the nuclear strike role. This will greatly increase the flexibility of these squadrons in support of NATO requirements.

Mr. Churchill: You once said that could not be done.

Mr. Hellyer: Frankly, I do not remember but it is possible.

Mr. Churchill: I will give you the reference.

Mr. Hellyer: Even my hon. friend might have said that at some time.

The two reconnaissance squadrons stationed at Marville in France are now fully operational. Each wing of the air division has its full complement of aircraft and is holding an alert status.

I would like to say a word here about the expertise of our airmen who are serving with the air division in Europe. This professionalism has been evident from the very first days of our air division in Europe; first flying Sabre jets and then the CF-100's, our fliers consistently won the Guynmeyer trophy which is emblematic of air combat supremacy.

This excellent airmanship is still evident today when each year the Allied Forces Central Europe gather together to compete in an air tactical weapons meet. The Canadian component at a recent meet in France won, virtually single-handed, the biggest weapons meet of the year.

When the final results were tabulated our Canadian airmen had won several impressive victories, including the top national team of the meet and the top strike pilot. Out of the seven top scoring pilots, R.C.A.F. fliers placed first, second, third, fifth, sixth and seventh; and to top this off, the Canadian team set a new record by flying an ideal day of four perfect missions.

Canada continues to contribute to continental air defence in accordance with its partnership with the United States in NORAD. Our main contribution continues to be three interceptor squadrons, two Bomarc squadrons and the operation of extensive ground environment radars and communication facilities. As indicated in the White Paper in March 1964, a number of questions depend upon a decision by the United States as to whether it will or will not deploy an anti-missile missile system. This decision has not yet been taken by the United States, although considerable funds are being spent on continued development.

The capability of the ground environment for air defence against the manned bomber is being enhanced despite the fact that a decreasing amount of our resources are going into this area. This is being done by the introduction of a back-up system which will provide the continuous air surveillance and control of air defence weapons. This system, called B.U.I.C. for "Back-Up Interceptor Control", will be introduced into SAGE, the computerized semi-automatic ground environment system of the North American Air Defence Command. Like SAGE, the B.U.I.C. system can receive, store, retrieve, calculate and supply in thousandths of a second information vital for the effective control of defensive weapons. When a SAGE centre stops functioning for any reason, a B.U.I.C. centre will assume its function.

The cost of the two B.U.I.C. sites to be located in Canada will be shared by Canada and the United States. The estimated costs for Canada are $600,000 for the initial capital outlay and $250,000 annually for maintenance. Installation of the B.U.I.C. systems, including the Canadian sites, is expected to be completed by early 1969.

The functions of Air Transport Command remain largely as they were prior to integration. The capability of this command, however, has been increased dramatically by the purchase of 20 additional C.130 Hercules aircraft to provide strategic airlift for the Canadian armed forces. The capability of this command must be further augmented in the years ahead in order to meet adequately the philosophy of mobility as set out in the White Paper. Studies on the best cost-effective equipment for this expansion are under way.

• (9:20 p.m.)

As I mentioned earlier, we have continued to perform a wide spectrum of defence and peace keeping operations. Two additional requests for United Nations support were received in September and December of last year. On September 22, the Secretary General asked us to supply a number of officers to participate in the United Nations India Pakistan Observer Mission. Highly qualified officers were soon on their way to take up their new duties. At the same time, our contribution to the United Nations Military Observer Group in India and Pakistan was increased from nine to 19 by the despatch of ten officers. This group now consists of two

naval, 13 army and 4 air force officers. In addition, we increased our contribution of aircraft by two Caribou and three Otter aeroplanes, manned and maintained by approximately 100 air force personnel located at Lahore, Pakistan. This unit provides air transport service both for the United Nations Military Observer Group, India and Pakistan, and the United Nations India Pakistan Observer Mission.

Mr. Churchill: May I ask a question. What purpose do navy officers serve there? It is a land locked mission.

Mr. Hellyer: They serve in exactly the same way as the other officers. This is another manifestation of the advantages of having an integrated service.

Mr. Churchill: They serve as naval personnel, surely?

Mr. Hellyer: On the contrary, it gives to those officers the chance to broaden their experience and to participate in a wider area of activity.

In December, Canada was asked to provide air units for the Zambian oil airlift. On December 22, an advanced party left Canada, and on the 30th the first oil airlift was effectively carried out. The response to this request and the quick reaction capability clearly demonstrated the effectiveness of the Canadian armed forces to meet contingencies.

The ground forces too are continually exercising their quick-reaction capability. The 1st Battalion Black Watch battalion group, currently designated as Canada's contribution to the Allied Command Europe mobile force, has recently undergone a strenuous training program, designated Exercise White Caribou, in Newfoundland. On February 27 this battalion group will participate in Exercise Winter Express, scheduled for northern Norway. This will provide an opportunity to practise its role along with the five other NATO nations participating. It will be the first time that the Canadian armed forces have attempted to airlift a battalion group over a considerable distance in a realistic time frame. This exercise, therefore, plays a most important part in the continued development of the strategic mobile force concept.

It may interest hon. members to know that 18 or 19 Air Transport Command heavy aircraft will be employed in this airlift, and that in addition HMCS *Provider,* our operational support ship on the east coast, will participate in the deployment and re-deployment phases of the exercise.

[Mr. Hellyer.]

One of the most important developments in respect to the reserve forces has been the appointment to Canadian Forces Headquarters of Major-General W. A. B. Anderson as Deputy Chief, Reserves. General Anderson will, in fact, be the commander of the reserve forces in Canada and have the responsibility for their organization and training in support of the regular forces as well as in aid of the civil power, and their supplementary role in national survival. The Deputy Chief, Reserves, heads a sub-branch at headquarters which is being organized on an integrated basis and which will have full responsibility for the reserve components and cadets of the navy, army and air force.

The first task to be undertaken by this section is the re-organization of its field command structure for reserve units following the termination of the existing army regional and district commands. The appointment of an officer of the rank of major-general underlines the continued importance of the reserve forces in support of the regular forces.

With the re-organization of the Canadian Army Militia last year and the re-introduction of corps training, a new vigour and effectiveness is developing. It is intended to increase the momentum by improved training opportunities in the coming year. Where possible, militia units will be given an opportunity to visit regular units at home stations for the purpose of obtaining instruction and practice in using the latest items of operational equipment. Recently militiamen of several eastern Canadian armoured regiments were flown into Camp Gagetown where the Royal Canadian Dragoons conducted a program of week end training for them. The experiment was extremely successful and will be used as a pattern for similar exercises of this nature in the future.

The reserves in their new posture are being counted upon to make an important contribution to Canada's security. The volunteers to whom this task has been entrusted are worthy of our highest respect and admiration.

I would like now to discuss briefly some of the changes in management techniques which have been introduced into the department since 1963 in conjunction with the re-organization.

Two of the most important problems in defence management were the reconciliation of the programs of the three services, that is, the setting of the real priorities between the programs of each and gauging the effects of

each program not just in terms of capital cost, but also in terms of support requirements, personnel and annual recurring costs.

The integration of navy, army and air force headquarters aided materially in the solution of the first of these problems. An integrated defence program has been established. This displays all approved National Defence activities and forecasts spending over the current year and the following five-year period. The program data relates the various military functions and missions to resource requirements of manpower, money and materiel. With this information available, it is possible to determine at once the implications both on a particular mission and on the integrated defence program as a whole, of any new requirement.

The defence programming system includes a program change procedure which keeps the IDP current as it reflects changing national and international conditions and the adoption of advantageous technological advances.

The development of this comprehensive system has been taking place for some months. To assist in its implementation, we have retained a consultant group familiar with the process, to advise us. Our present integrated defence plan should be programmed and the system in full operation in 1966. This will enormously simplify the preparation of the estimates for 1967-68. The operation of this system insists on the solution of the two management problems raised: First, as it includes all missions and the elements of all missions, it displays each of these in a way which facilitates the consideration of priorities and demands their solution. Second, the data required for the system includes capital costs, personnel and support requirements, and operating costs, and therefore the total effect of each new program change is known at the outset and available for review at any time. Thus all of the information necessary for management to make decisions is readily available and the system itself ensures that the data is presented in a manner that leads to realistic decisions.

• (9:30 p.m.)

Another improvement in management techniques has been the granting of authority to use the proceeds of the sale of surplus equipment by the department for the purchase of new equipment. This year, on an experimental basis, this system has also been applied to real properties up to the limit of $5 million. This policy was suggested by the Royal Commission on Government Organization. The reasoning behind it is obvious. It provides an incentive to management to make decisions. If there is no advantage in selling surplus materials and properties, there is a natural tendency to postpone serious consideration. When the proceeds are available for new high priority projects, however, there is a strong motivation to take a hard look at inventories and to make realistic decisions. In the fiscal year 1964-65 approximately $7 million revenue was obtained from the sale of surplus materials, supplies and equipment, and $4,744,000 has been realized from this source for 1965-66 to the end of December. During the current fiscal year as of December 31, real estate sales have totalled $1,589,000. These sales reduce the cost of maintenance of the inventories.

Another important area which has been subject to re-organization is that of development. Each service had its own development vote, and in each case the administration and screening was carried out by the Defence Research Board, following receipt of submissions from the services. The system tended to be inflexible and slow. Program changes had to go through the whole system and the amount of time consumed was so great that the project momentum was often lost and the initial Canadian advantage overtaken by development projects in other countries.

The classic case is the armoured personnel carrier, the Bobcat-V.C. This project was out front at the outset but, due to the rigidities of the system and the decision-making process, all the initial advantage was lost and the project overtaken by developments elsewhere.

Mr. Churchill: The simulator is another recent example.

Mr. Hellyer: In order to develop a more flexible system, a number of important changes have been put into effect. The service development votes have been built into a single development vote in consonance with integration. Administration of development projects has been given to the services themselves. The Defence Research Board input and screening now takes place during the initial stage of the project definition in order to determine at that stage if the proposal is scientifically feasible.

A management group has been formed called the development and associated research policy group under the chairmanship of the chief of technical services. This group

has the responsibility for initiating new projects, reviewing projects periodicaly to determine if they should be continued, and recommending the termination of projects that have been overtaken by time, technological advance or parallel development elsewhere.

This group has been formed and has been operating for some months. It has initiated a number of new projects which will be included in next year's estimates; it has consolidated a number of existing projects and recommended the immediate termination of a number of others. The time period for decision making in the field of development has been dramatically reduced, and it appears that the new system will go a long way toward reducing to a minimum the problems inherent in the development field.

An example on the improved flexibility is in respect to the interesting development of a full-scale prototype of an ocean-going hydrofoil vessel.

A great deal of preliminary research has been carried out in respect to the development of hydrofoils and a number of reduced scale models have been built and tested. The considerable effort to date is of little practical value, however, in the absence of complete sea trials of a full-scale ship. We have one under construction now—the hull at Marine Industries in Sorel, Quebec, the foils at de Havilland Aircraft Company, Toronto, and the weapons system at Canadian Westinghouse Company Limited, Hamilton.

The Deputy Chairman: I am sorry to interrupt the minister but—

Some hon. Members: Carry on.

The Deputy Chairman: I gather that the minister has unanimous consent to continue his speech.

Mr. Hellyer: Like most development projects, the cost has increased substantially over original estimates.

An hon. Member: You said that before.

Mr. Hellyer: Not since I sat down, I hope.

Mr. Churchill: Page seventeen.

Mr. Hellyer: The new estimate is $36.2 million—a figure that covers the basic ship support services and weapons system. Under the former system of single service management, the increased funds would not have been readily available. The result, almost inevitably, would have been a stretch-out in the program which historically would have resulted in even further increases in costs.

[Mr. Hellyer.]

Even worse, stretched-out development programs often mean the loss of any lead we might have in concepts, thereby reducing foreign sales prospects.

A delayed program would also have made trials so late that we would not have had the information needed when considering options available for a construction program in the first half of the 1970's.

With an integrated headquarters it was possible to divert to the hydrofoil project savings we have made in other areas. As a result, both the ship and the weapons system development are proceeding and we expect that sea trials will begin late this year. It is impossible to say with certainty whether the trials will be successful or not, but all of the data on which the development is based leads us to believe that they will be.

It is, in our opinion, well worth proceeding with the development in any case, for this is an important area of knowledge in which additional data is essential. Equally, it is an important Canadian contribution to the total range of new developments being pursued by ourselves and our allies on a mutually cooperative basis.

The increased emphasis on research and development is in fulfilment of the policy laid down in the White Paper that there would be a modest but consistent increase in these activities. The Defence Research Board has the responsibility not only of providing scientific advice to the minister and to the chief of defence staff, but also of undertaking pure and applied research on behalf of the defence forces. Canada continues to enjoy a well-deserved reputation for extraordinary results in research, particularly in relation to the resources made available for that purpose.

One of the Defence Research Board's most dramatic achievements in 1965 was in the space research field. The successful launch of Alouette II in November in an elliptical orbit was the climax of months and years of painstaking research and development. As of late January it had completed 720 orbits about the earth, travelling 22,800,000 miles, and had executed 8,175 commands while operating six hours a day to produce 54,000 ionagrams.

Isis "A", the board's third satellite, is scheduled for launch next year. It will carry ten experiments and is scheduled to move in an elliptical orbit some 300 to 2,600 statute miles above the earth. As the sun's period of activity increases with more frequent and violent solar storms, this space craft should provide most useful data.

Practical application from the data provided by Alouette I, which has been analysed in combination with data obtained from sister satellites, may involve improved techniques for long-distance communications resulting from mitigation of interruptions caused to northern radio by solar storms and other phenomena.

• (9:40 p.m.)

The Defence Research Board's industrial research assistance program introduced late in 1961, to encourage industry in Canada to establish additional research facilities, has proven to be a most successful activity. Costs of projects under this program are shared by the Defence Research Board and industry. The joint commitment at present amounts to about $41,700,000 of which D.R.B. has committed more than $21 million, with $10,500,000 spent to date.

Of 145 projects covered by this program, 113 are active at the present time and are being conducted by 56 Canadian industries in a variety of fields— electronics, aviation, mechanical engineering, physics, metallurgy studies and others. A number of companies attribute a considerable increase in their business volume to the direct and indirect results of this industrial research assistance program.

As I stated at the outset, the strength of the Canadian armed forces is in the dedication, training and professionalism of its officers and men. Just as no force, no matter how well trained, can operate effectively without good equipment, similarly no amount of modern equipment, by itself, can be effective without persons skilled and trained in its use.

We have in the past enjoyed, and still enjoy, a tremendously proud and effective force, unsurpassed anywhere in the world. We fully recognize that if we are to maintain this effectiveness in the future, we must continue to provide the training, remuneration and career opportunities to attract the high calibre of person required for our demanding tasks.

Whereas it is true that re-organization of any kind raises questions in respect to the effects that it may have on individuals, the important problems relating to individuals in the armed forces today are not those resulting from integration, they are the same real problems affecting men and women in all walks of life, that is, pay, allowances, housing, career opportunities, etc. I might add that perhaps there are many Canadians who do not fully appreciate just how good the Canadian armed forces really are, and what a tremendous job they do as ambassadors for Canada as they pursue their task of contributing to the deterrence of war and helping to preserve world order.

Hon. members who have visited our armed forces units and establishments overseas, in Canada, and at sea, and who have been impressed by the superb quality and proficiency of the men and women of the forces, would be performing a most useful service if, at every opportunity, they informed their constituents and Canadians generally of the accomplishments of those who wear our country's uniform.

In respect to pay and allowances, a number of questions have been raised and these are all under active study at the present time. As I indicated in the House of Commons the other day, we fully realize that we have to compete for manpower in a booming economy, and measures will be taken—measures designed to do justice to the men and women of the armed forces and to attract new recruits to the organization.

The number of recruits required in the next four or five years will be considerably greater than has been the case for some time, simply due to the great numbers of servicemen who saw experience in world war II and who are now reaching retirement age. This problem, combined with the increased competition in the labour market, will make our task difficult. We will appreciate the co-operation of all hon. gentlemen in helping us to meet our goals.

Finally, I would like to say a word of appreciation to those hon. gentlemen who served on the special committee on defence. This committee was an experiment. It was the first time in Canada that members of the house have had the opportunity of discussing in committee, in an orderly fashion, the current expenditures and future plans of the Department of National Defence. I felt from the outset that the committee could fill a very important function and that it would be a good vehicle for making available to hon. members of this house and to the Canadian public, much more information on defence matters than had previously been available from Canadian sources.

I believe the committee was a most useful forum for discussion and that it proved the advisability of this kind of organization as a recognized part of our parliamentary system.

With the establishment of a permanent standing committee on national defence, this principle has been formalized and I am sure it will continue to do the same kind of good work performed by the members of the special committee.

In my statement today I have not included statistical information in respect of manpower, or details in respect of individual items of hardware. The estimates for 1966-67 will be referred for early consideration by the standing committee, and it would seem appropriate to defer consideration of detail to that occasion when witnesses can be called and when full statistical information can be made available.

I hope that this suggestion will meet general approval, and once again I would like to express my appreciation of the co-operation I have received from hon. gentlemen on both sides of the chamber.

Mr. Harkness: Mr. Chairman, the first impression most members will have received from the minister's speech is that he has slowed down considerably. I think it took him twice as much time to read the same amount of material on this occasion as he did when he last presented his estimates nearly two years ago. I do not know whether that was the effect of having listened so long to the debate on the Department of Transport estimates, or perhaps it was just due to the particular hour on the clock.

The outline which the minister gave of the jobs that our servicemen are carrying out overseas, of the command structure, of the development work being carried on, and of the work of the Defence Research Board was all very interesting, but it did not get down to the crux of the situation in the Department of National Defence. I would say the minister's speech was designed to give the committee and the country the impression that all is well in that department, whereas everyone who has any knowledge of the defence situation in Canada today knows that the reverse is the case.

I would first like to point out that we are considering these estimates at a time when all of the evidence indicates that the morale of our defence forces is the lowest it has been since before world war II, and probably the lowest it has ever been in our history. All the evidence I have had from conversations with and letters from a large number of ex-service personnel, conversations with and letters from presently serving personnel and members of their families, is to that effect. The actual evidence in regard to recruiting, loss of men from the services, the situation in regard to the effectiveness of units, and the ability to keep units operating, all points in this direction. I shall be outlining a considerable number of these things in the course of my remarks.

I would like to put more emphasis on this matter of morale. Everyone with any military experience, particularly with experience in war, knows that the most important single requirement for efficient and effective individual fighting men, units and formations, is high morale. Without it you cannot have efficiency and effectiveness in any military organization.

An article which bears on this, and which appeared in the Victoria *Colonist* of January 26, is something I would like to put on the record at this time. It is headed "Confidence" and reads:

> In a recent address to the directors of Victoria's Armed Service Centre one of Canada's outstanding seamen, Rear Admiral J. C. Hibbard, discussed the meaning of morale in a military organization.
>
> To the individual serviceman—regardless of his ranks—morale is the result of a combination of many factors, the admiral said.
>
> • (9:50 p.m.)
>
> But, he added, these factors could all be summed up in one word: Confidence—confidence in his leadership, confidence in his training, confidence in himself, confidence in his unit and his weapons, confidence in his support from his home, and confidence in the belief that he is necessary and that his sacrifices are of benefit to his country.
>
> By outlining this simple definition at a time when our national defence policies present such a confused picture both at home and to the outside world, Admiral Hibbard might have done a great service to Canada.
>
> Perhaps his carefully spelled out words might cause Defence Minister Paul Hellyer to pause for a moment in his politically-oriented direction of Canada's defence program to give at least some small thought to the men behind the guns.

I think one of the difficulties as far as the minister is concerned results from his thinking and talking constantly about cost effectiveness, about computerizing systems and things of that sort. He has missed the most important single factor of any effective defence organization, which is the attitude of the men, their morale and their confidence in their leadership and themselves. The actual fact is that the confidence of most servicemen in their leadership and the policies of the Minister of National Defence has been destroyed during the past two years.

During the past two years more and more servicemen have lost the essential belief that

they are doing a necessary and worth-while job. As a result they have lost their motivation to remain in the forces: thus the very large departure of servicemen that has taken place.

This decline in morale is forcefully illustrated by the large number of personnel who have left the armed services of their own volition. I do not refer to those who were dismissed or put out for disciplinary reasons, I refer to only those who have left of their own volition. These people could not see any future in the armed forces because they have no motivation to remain. This is illustrated by a return to a question by the hon. member for Edmonton West to be found at page 781 of *Hansard* for February 7. The return was made in answer to question No. 4 which asked for the number of persons who were retired from the defence forces at their own request prior to normal retirement age. The answer was 13,142. Nothing like this has ever taken place in the history of the Canadian armed forces and it indicates exactly what I have just said, that a very large proportion of those people in the armed forces have lost their morale and want to get out because they feel they have no future and are not doing a necessary job.

This same return indicates that a high proportion of these 13,000 odd individuals who left at their own request were highly trained officers, N.C.O.'s and specialists who are essential to the efficient operation of any modern military force.

In answer to a question I asked, to be found in *Hansard* for February 9 another return was made which shows what the reduction in the strength of the armed forces has been. We find that it dropped from approximately 124,000 in 1961-62 to approximately 109,000 at the end of December, 1965. At the present time, according to press reports, the strength is now below 107,000. During that same period this report indicates that enlistments had dropped from 16,526 in 1961 to 10,415 in 1965. Last year the losses of the armed forces personnel totalled 17,696, all ranks, which is a total loss or wastage of 7,281, or a rate of wastage of some 600 men per month.

These figures show two things. First of all, they show that it has become increasingly difficult to get people to enlist in the services and second, a very large proportion of highly trained personnel are getting out. In addition to the ones who have got out there are quite a number who are trying to get out but who have not been released. I have referred several of these cases to the minister and the associate minister, but I do not know how many there are. The number must be considerable today. These people would get out if they could but the department, because of the shortage of trained personnel at this time, will not allow them to do so.

The loss of so many highly trained personnel is very serious and has caused a decline in the quality and effectiveness of our defence forces. This is manifested by the situation which exists now in all three of the defence forces. Let us take the navy as a first example to see what has happened there.

When the minister was sworn in the navy had 43 anti-submarine vessels in commission and in operation including, of course, the *Bonaventure*, destroyer escorts and frigates. In addition we had two flotillas of mine sweepers. What ships does the navy now have? As close as I can determine we now have 34 antisubmarine vessels and no mine sweepers. Of the 34 antisubmarine vessels we have left there are five or six laid up at Halifax and two at Esquimalt because of a lack of sufficiently trained personnel to man them. This means there are seven or eight vessels which cannot go to sea. We now have some 27 operational fighting ships left in our navy. That is far below the number that we are committed to provide as part of our contribution to the NATO alliance, and far below the number required for the many other responsibilities the navy would have in the event of war. In spite of this, the minister keeps on saying and has been saying for the last two years, that the effectiveness of the armed forces has improved.

Mr. Hellyer: That is true.

Mr. Harkness: The minister suggests that is true, but I ask any reasonable person in this chamber how it could be true when the number of fighting ships has decreased seriously, with a large percentage of the ones left not able to go to sea because of the lack of trained personnel to man them.

Mr. Hellyer: Because they are old ships, now obsolete.

Mr. Harkness: The minister suggests that the ships we now have are much more efficient and up to date than the ones we had, but that is not the case. With one or two exceptions we have the same ships. I believe one or two have been put into service in the last two or three years with slightly improved

radar systems. The use of helicopters is now associated with some of the ships and that is a program which was initiated before the minister became the Minister of National Defence.

In view of all these facts it is nonsense to say that the effectiveness of the navy is anything like it was before the minister was sworn in. I do not think there is a naval man in this country or anywhere in the world who would not agree with that statement.

Mr. Chairman, I see that it is ten o'clock.

Resolutions adopted 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.

IMMIGRATION—REPORTED INCREASE IN APPLICATIONS FROM RUMANIA

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I raised a question on Tuesday afternoon that I felt was of some concern. I have received representations on this matter since the election and I know that the question of the situation in eastern Europe has been eloquently dealt with in this house by a previous speaker. This matter was brought to my mind by an article which appeared in a magazine called *The Tablet* entitled "Hungarians in Transylvania." This article was written by Judith Listowel and appeared in the January 8 edition of this magazine. It was the second of two articles. Dealing with the situation of this minority group in Rumania the article contains the following passage:

"Now there are rumours of a mass emigration to Canada. Thousands of Hungarian peasants have put their names down, for they do not see any future for their children here. I do not know whether they will actually receive their emigration passports, or whether this is just a hoax, but I rather think that they might, for if they go their places can be taken by more and more settlers from Old Rumania, and gradually the Hungarian character of Transylvania will be wiped out."

It was this article that prompted my question to the minister in charge of immigration and I asked whether there had been an unusual number of applications received this year from potential emigrants from that country. I should like to ask a further question, whether the ministry has been at all aware of the situation suggested in this article, namely that people in a foreign country may be the victims of a very elaborate hoax with regard to the possibility of their emigrating to Canada.

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, on behalf of the minister I have noted the remarks of the hon. member. I sympathize with his interest in this question of the Hungarian situation in Transylvania and I know how concerned are many Canadians of Hungarian descent about the fact that their populace in Transylvania seem to be somewhat victimized by the regime there, and because many of their relatives are most unhappy in that country.

I think the situation does call for an investigation by the immigration department. I am not in a position to give the hon. member any particulars as to what has been done with reference to this matter or the situation at this time. All I can give him is the assurance that the minister will look into this question and try to have a report for him in the very near future.

POST OFFICE DEPARTMENT—STEPS TO OVERCOME LOSS ON SECOND CLASS MAIL

Mr. Max Saltsman (Waterloo South): Mr. Speaker, yesterday I directed a question to the Postmaster General. The question resulted from a recommendation made in the report of the Auditor General to the House of Commons, in which he said that early consideration should be given to ways and means of covering the loss sustained by the Post Office Department in the handling of second class mail. I think this is a matter of considerable urgency, since this is not the first time the Auditor General has made this request to the Postmaster General.

In his report of last year, page 704, he pointed out that a loss had been sustained of $35 million as a result of the handling of second class mail by the Post Office Department. This sad history of losses in connection with second class mail goes back a long time. Of course I recognize that since the minister is new in his job he should not be held accountable for the serious errors and omissions of his predecessors. I suggest to the minister however, he now has an opportunity to become a hero by doing the kind of thing that should have been done a long time ago. I think it is time to plug this leak of the taxpayer's dollar. I think it is time to raise second class postage rates in this country to overcome that deficit of the Post Office Department.

I can go back to *Hansard* for 1957—I go back only to 1957 because as a relatively new member those are all the *Hansards* they would give me—and on March 8, 1957, I find Mr. Regier, the then member for Burnaby-Coquitlam, raised this question. The hon. member for Winnipeg North Centre (Mr. Knowles) raised the same question, and asked who benefited from this particular subsidy on second class mail. Of course, the chief beneficiary, the one who is being subsidized by the Canadian taxpayer, is the giant newspaper chain in Canada, as well as magazines like *Reader's Digest* and *Time*. I do not believe, by any stretch of the imagination, that we could consider these people really need the taxpayer's help. I feel that the fellow who is working in the shop might have just cause to feel somewhat upset when he knows that some of his hard earned money is going in this particular direction.

I am always rather surprised to see that these champions of free enterprise do not come annually to the minister with a cheque in their hands and say, here, we wish to reimburse you for the subsidy you have provided us because we do believe in this free enterprise system. It is particularly galling when these newspapers add insult to injury by talking about the perils of the welfare state and the perils of subsidies in some of their editorials. This is particularly true when they refer to old age pensions. In the light of the government's concern about its inability to find money to increase old age pensions in Canada, I think this might be an excellent place for it to start. They should take a look at this particular leakage of government money and perhaps do something to correct it. I suggest the thing to do is increase the rate. As I pointed out, the minister has a great opportunity to be a hero. I would be delighted to see him become a hero. Perhaps he should close this gap, take the amount of money over to his colleague, the Minister of Finance (Mr. Sharp), and give him a down payment on increases in the old age pension.

• (10:10 p.m.)

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, as so ably put by the member, this is the first recommendation of its kind the Auditor General has made since I have been appointed Postmaster General.

I might say to the hon. member that I could make in my Department many changes which might win me the title of hero in some quarters, and that of zero in others.

I must say that upon reading the recommendations in the Auditor General's report, I asked my officials report, as soon as possible, on the surveys they had already carried out or those they expected to undertake, in order that we might know what decisions should be taken and what policies should be implemented.

I understand a committee has been sitting for several months now and that officials are considering suggestions made by the committee.

As we all know, postal rates have to be approved by parliament and can be changed only by parliament.

When preferential rates were approved for newspapers over 20 years ago, one of the reasons for it was, I think, that newspapers were perhaps the only public medium of information at that time. That is why a preferential rate was established. But I do not think that reason stands today. However, there may be others.

Since the matter of increasing the second class rate was raised a few years ago, a lot of opinions were expressed and, most likely, they were contradictory opinions.

However, I believe that what we must try to set up is a policy which will ensure a sound balance. I think we should wait for suggestions before taking action.

The hon. member knows very well that this question is one of government policy and that such policy is usually announced only when the government is ready to bring the legislation before parliament for action.

MUNICIPAL LOAN DEVELOPMENT FUND—INQUIRY AS TO EXTENSION OF PERIOD

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, this afternoon I put a question to the Minister of Finance. I believe he is not in the house tonight but he will have a worthy representative in the person of his parliamentary secretary, the hon. member for Saint-Maurice-Laflèche (Mr. Chrétien), from whom I would like to get details, or better, a statement concerning a problem which proves to be of major importance for municipalities.

One knows that in 1963, as shown in the Statutes of Canada for 1963, chapter 13, a very beneficial piece of legislation was adopted to enable the municipalities to borrow money for municipal works.

Section 11 of the said act stipulates:

(1) Where the municipal project in respect of which a loan is made under this Act is completed to the satisfaction of the Board on or before the 31st day of March, 1966, the Board shall forgive payment by the municipality of twenty-five per cent of the principal amount of the loan.

That provision means that the municipalities which have completed their projects—undertaken with a loan contracted by the said municipalities under the said act or statute—before March 31, will get 25 per cent of the principal amount of the loan, which is quite a considerable portion of the loan which they will not have to reimburse.

The problem, since the expiry date is near —March 31, 1966, is not far off—is that several municipalities will not be able to complete their projects before that date.

That problem is of great concern to me for the very good reason that several municipalities in the riding of Lotbinière took advantage of the provisions of that act, Mr. Speaker.

I am speaking in particular of the municipalities of St. Sophie de Lévrard, St. Antoine de Tilly, St. Apollinaire and St. Pierre les Becquets.

All these municipalities located in Lotbinière riding took advantage of this beneficial legislation, the Municipal Development Loans Act.

So, Mr. Speaker, if the expiry date for the termination of the works is March 31, 1966, should some municipalities not have time to terminate their works, I would beg and implore the indulgence and the goodwill of the minister to see whether there is a possibility of an extension.

I see the minister is not here, but I am confident his parliamentary assistant will favorably receive the request I respectfully submit. I will go further. I am morally sure the minister will favour this request for the benefit not only of Lotbinière and Quebec municipalities but of all municipalities throughout Canada which have used the provisions of this act.

Without further comment, I will yield the floor to the minister's parliamentary secretary. If he is more taciturn than he should be, I will accept his discreet comments, but I shall keep the hopes, if not the conviction, that this extension will be granted.

Mr. Jean Chrétien (Parliamentary Secretary to Minister of Finance): Mr. Speaker, first of all, I wish to congratulate the hon. member for Lotbinière for his interest in the important question raised this week, that of the expiry of the act passed in 1963 providing for $400 million in loans from the federal government to the municipalities to help them relieve acute unemployment which is less of a problem today.

As stipulated in section 11 of the act to which the hon. member referred earlier, if the works are not completed by March 31, 1966, the municipalities will not receive the extra payments which he mentioned.

However, during the week the Minister of Finance received in his office various ministers of Municipal Affairs of Canada who outlined the problems involved. The Minister of Finance (Mr. Sharp) explained to them the difficult position of the central government which must, of course, abide by the statutes as they stand.

On the other hand, I must say to the hon. member that I am not in a position to make a decision myself, but that within a few days, perhaps tomorrow, the Minister of Finance will probably be in a position to give a final answer to all members of the house interested in this problem, as well as to all mayors of municipalities in various provinces who are expecting a reply one way or the other. I assure you that a decision will be made shortly.

[*English*]

Motion agreed to and the house adjourned at 10.22 p.m.

[The following items were passed in committee of supply this day]:

DEPARTMENT OF TRANSPORT

A—Department—

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 coast guard 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 $24,689,500, $41,512,600.

5b. Administration, operation and maintenance to extend the purposes of transport vote 5 of the main estimates, 1965-66 to include contributions and payments, as detailed in these estimates, in connections with, or towards the costs of repairs, operation or maintenance of certain canal property and facilities transferred pursuant to the Public Lands Grants Act, $781,000.

8b. To authorize in accordance with such terms and conditions as the Governor in Council may prescribe, the transfer of the assets and administration of the pension fund of the British Columbia pilotage district established under the Canada Shipping Act, 1934 to such persons as the Governor in Council may approve, and to authorize the investment of the assets of the pension fund, subject to the terms and conditions of the transfer, in such manner as may be determined by agreement between the person to whom the transfer is made and the corporation of the British Columbia coast pilots, $1.

10. Construction or acquisition or buildings, works, land, vessels and equipment including payments to provinces or municipalities as contributions towards construction done by those bodies and to authorize, in respect to aids to navigation, notwithstanding section 30 of the Financial Administration Act, the making of commitments for the current fiscal year not exceeding a total amount of $6,699,400, $42,155,000.

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 1965 in respect of the following services: Newfoundland Ferry and Terminals; Prince Edward Island Car Ferry and Terminals; Yarmouth, N.S.-Bar Harbor, Maine, U.S.A., Ferry Service, $14,778,400.

20. Construction or acquisition of buildings, works and land, dock and terminal facilities, 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, $20,065,600.

20b. Construction or acquisition of buildings, works and land, dock and terminal facilities, 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—to extend the purposes of transport vote 20 of the main estimates, 1965-66, to include repairs and improvements to terminal facilities owned by Newfoundland, $8,582,500.

25. Payments in respect of the Maritime Freight Rates Act and for supplemental pension allowances to railway employees in the amounts and subject to the terms specified in the sub-vote titles listed in the details of estimates, $15,140,000.

25b. Payments in respect of the Maritime Freight Rates Act and for supplemental pension allowances to railway employees—to extend the purposes of Transport Vote 25 of the main estimates for 1965-66 to include payments to provinces as contributions, as detailed in the estimates, to assist highway construction related to the abandonment of railway branch lines, $1,250,000.

25d. Payments in respect of the Maritime Freight Rates Act—To extend the purposes of Transport Vote 25 of the main estimates for 1965-66 to include the grants detailed in these estimates, $7,000.

Air services—

30. Administration, operation and maintenance including the administration of the Aeronautics Act and regulations issued thereunder, the administration of the Radio Act and regulations issued thereunder, Canada's share of the costs of the international radio, telegraph and telephone organizations listed in the details of the estimates, Canada's assessment for membership in the world meteorological organization, $110,000 for grants in aid of meteorological research in Canadian universities and Canada's share of the cost of the world meterological organization symposium on design of hydrometeorological networks, $97,637,700.

30b. Administration, operation and maintenance —to extend the purposes of Transport Vote 30 of the main estimates for 1965-66 to include the payment of $7,276 to the town of Peace River, Alberta, as an airport operating subsidy for the period October 23, 1963, to March 31, 1964, and the gifts detailed in the estimates and to provide a further amount of, $319,900.

30d. Administration, operation and maintenance— To extend the purposes of Transport Vote 30 of the main estimates for 1965-66 to include the grant detailed in these estimates, $1.

35. Construction or acquisition of buildings, works, land and equipment including national airports (as determined by the Minister of Transport) and related facilities, contributions toward 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 $30,878,100, for radio aids to air and marine navigation a total amount of $14,854,000 and for meteorological services a total amount of $2,745,300, $41,906,000.

35b. Construction or acquisition of buildings, works, land and equipment including national airports (as determined by the Minister of Transport) and related facilities, including authority, notwithstanding section 30 of the Financial Administration Act, to increase to $16,216,500 the commitments for the current fiscal year for radio aids to air and marine navigation, $1.

40b. Contributions to assist in the establishment or improvement of local airports and related facilities, $591,300.

B—Air transport board—

75. Salaries and other expenses, $777,200.

77d. Payment to Nordair Limited for operation of international charter flights undertaken but not completed by World Wide Airways Incorporated, $381,000.

Supply—Items Passed

C—Board of Transport Commissioners for Canada—

80. Administration, operation and maintenance, $1,447,000.

82. 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 an increase to $34,967,000 in the commitments (in addition to any commitments in respect of which amounts are appropriated under this or any other act) that may be made in the current and subsequent fiscal years, $9,000,000.

83b. Notwithstanding any limitation that may be contained in section 265 of the Railway Act, to authorize the payment of an amount not exceeding $2,000,000 from the railway grade crossing fund to be applied towards the cost of any relocation of the Canadian Pacific Railway line in Sault Ste. Marie pursuant to an order of the board, $1.

84b. To provide for balance of payments to companies subject to order number 96300, dated November 17, 1958, of the board of transport commissioners for Canada in respect of the period April 1, 1964, to March 31, 1965, payable to said companies for such diminution in their aggregate gross revenues during the said period as in the opinion of the said board is attributable to such companies maintaining the rate level for freight traffic at an 8% increase instead of 17% as authorized by the said order, $600,000.

84d. To provide payments to companies subject to order number 96300, dated November 17, 1958, of the board of transport commissioners for Canada of an aggregate amount of $20,000,000 in respect of the period April 1, 1965 to March 31, 1966, to be paid in instalments at such times as may be determined by the said board for the purpose of reimbursing the said companies for such diminution in their aggregate gross revenues during the said period as in the opinion of the said board is attributable to such companies maintaining the rate level for freight traffic at an 8% increase instead of 17% as authorized by the said order; and to provide payments to the said companies of an aggregate amount in respect of the calendar year 1965 of $50,000,000 to be paid in instalments at such times and in accordance with such methods of allocation as may be determined by the said board for the maintenance by such companies of the rates of freight traffic at the said reduced level, $70,000,000.

D—Canadian maritime commission—

85. Administration of the commission and the degaussing of Canadian 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, $395,800.

90. Steamship subventions for coastal services, as detailed in the estimates, $8,549,006.

90b. Steamship subventions for coastal services, as detailed in the estimates, $299,000.

90d. Steamship subventions for coastal services, detailed in the estimates, $36,875.

95. Capital subsidies for the construction of commercial and fishing vessels in accordance with regulations of the governor in council, $25,000,000.

95b. Capital subsidies for the construction of commercial and fishing vessels in accordance with regulations of the governor in council, $14,000,000.

95d. Capital subsidies for the construction of commercial and fishing vessels in accordance with regulations of the governor in council, $1,541,000.

E—National harbours board—

100. Advances 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 1965 as detailed in the estimates, $1,487,900.

100b. Advances 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 1965 as detailed in the estimates, $615,000.

103. To authorize expenditures by the national harbours board, either by itself or on behalf of or in cooperation with others, for certain purposes relating to the Canadian universal and international exhibition, Montreal, 1967 and to provide, notwithstanding sections 28 and 29 of the National Harbours Board Act, for an absolute grant to the board for such purposes to be credited to the national harbours board special account, $3,823,000.

103b. To authorize expenditures by the national harbours board, either by itself or on behalf of or in cooperation with others, for certain purposes relating to the Canadian universal and international exhibition, Montreal, 1967, and to provide, notwithstanding sections 28 and 29 of the National Harbours Board Act, for an absolute grant to the board for such purposes to be credited to the national harbours board special account, $960,000.

104b. 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 1965 in the operation of the Jacques Cartier Bridge, Montreal Harbour, $160,000.

F—St. Lawrence seaway authority—

105. Operating deficit and capital requirements of canals and works entrusted to the St. Lawrence seaway authority with the approval of the governor in council, and to authorize, notwithstanding the Financial Administration Act or any other Act, the disbursement by the authority of revenues derived from the operation and management of such canals and works, $2,698,000.

G—Atlantic development board—

110. Administration and operation, $923,500.

110b. Administration and operation, $197,700.

112. To authorize expenditures, in the current and subsequent fiscal years, not exceeding in the aggregate $30,000,000 as the federal share of costs of a trunk highway program for the provinces of Newfoundland, Nova Scotia, Prince Edward Island and New Brunswick in accordance with agreements entered into by the Atlantic development board and the respective provinces; estimated expenditures in 1965-66, $10,000,000.

Loans, investments and advances—

Canadian overseas telecommunication corporation—

L80. 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, $13,334,000.

L80b. Loan to the Canadian overseas telecommunication corporation in accordance with section 14 of the Canadian Overseas Telecommunication Act for additions and betterments to facilities, $2,071,000.

General—

L81b. To increase to $10,500,000, the amount that may be charged at any time to the revolving fund mentioned in subsection (2) of section 101 of the Financial Administration Act, chap. 12. Statutes of 1951 (2nd session), and extended by vote 630 of the Appropriation Act no. 2, 1955, vote 662 of the Appropriation Act no. 5, 1958, vote 710 of the Appropriation Act no. 3, 1960, and vote 602 of the Appropriation Act no. 5, 1961; and also to extend the purpose of the revolving fund to include the operation of departmental workshops; additional amount required, $1,000,000.

Transport—

L82d. Advances to Canadian National Railways and Air Canada in such manner and subject to such terms and conditions as the governor in council may approve, $20,000,000.

National Harbours Board—

L85. 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 1965 on any or all of the following accounts:

Reconstruction and capital expenditures—

Montreal	$8,471,800
Vancouver	6,449,000
	$14,920,800

Less—amount to be expended from replacement and other funds, $9,500,000; $5,420,800.

L85b. 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 1965 on any or all of the following accounts:

Reconstruction and capital expenditures—

Trois Rivières	$ 48,500
Montreal	4,980,000
	$ 5,028,500

Less—amount to be expended from replacement and other funds, $48,500; $4,980,000.

St. Lawrence seaway authority—

L90. Loans to the St. Lawrence seaway authority conditions as the governor in council may approve, $19,000,000.

HOUSE OF COMMONS

Friday, February 18, 1966

The house met at 11 a.m.

ELECTORAL BOUNDARIES READJUSTMENT ACT

OBJECTIONS RESPECTING PROPOSED DISTRICTS IN BRITISH COLUMBIA, ONTARIO AND QUEBEC

Mr. Speaker: It is my duty to inform the house that five objections, signed by the hon. member for Kamloops (Mr. Fulton) and the hon. member for Vancouver-Burrard (Mr. Basford) and eight other hon. members in one case; by the hon. member for York East (Mr. Otto) and ten other hon. members in another case; by the hon. member for Nicolet-Yamaska (Mr. Vincent) and ten other hon. members in the third case; by the hon. member for Dorchester (Mr. Côté) and nine other hon. members in the fourth case, and finally by the hon. member for Lafontaine (Mr. Lachance) and ten other hon. members, have been filed with me pursuant to section 20 of the Electoral Boundaries Readjustment Act, with respect to the reports of the electoral boundaries commissions for the provinces of British Columbia, Ontario and Quebec respectively.

[*Translation*]

If the house will agree, I propose that the procedure followed on prior occasions in this session be again followed, so that the text of these five objections, together with the names of the members who signed in each case, will be printed as appendices to *Votes and Proceedings* for this day. Is it agreed?

Some hon. Members: Agreed.

[*English*]

Mr. Speaker: May I add a word at this time concerning the notice of objection filed by the hon. member for Kamloops, the hon. member for Vancouver-Burrard and others. When the notice of objection was initially deposited with me the first paragraph thereof included the words "and that this house do endorse the said objections". After consultation with the hon. member for Kamloops he agreed to delete these words from the notice.

MUNICIPAL DEVELOPMENT AND LOAN ACT

ANNOUNCEMENT OF EXTENSION OF PERIOD FOR FORGIVENESS PAYMENTS

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I wish to make a statement on the Municipal Development and Loan Act.

Hon. members will recall that the purpose of this statute, which became law on September 5, 1963, was to provide an inducement to municipalities to accelerate the construction of municipal projects as rapidly as possible and thus to increase employment. The inducement took the form of an offer of $400 million of loan funds at a modest rate of interest and an undertaking that 25 per cent of the principal amount of each loan would be forgiven in respect of project costs incurred up to March 31, 1966, whether or not the project had been completed by that date.

Municipalities in all provinces have taken advantage of the borrowing facilities provided by this legislation. The municipal development and loan board expects that it will have committed about $390 million out of the $400 million made available in loans to municipalities by March 31, 1966. In short, virtually every province will have fully used up its quota; indeed most provincial quotas are already fully committed. Some 2,300 loans will have been made to about 1,300 municipalities.

The bulk of the municipal projects being constructed under this program have already been completed, or are well on the way to being completed. However, some 200 to 300 municipalities are unlikely to be able to complete their projects by March 31, and will not therefore be entitled to receive the maximum forgiveness payment.

In some cases the delay in completing their projects is explained by the fact that some municipalities took a longer time than they had anticipated in taking all the steps necessary to bring their projects to the point of commencing construction. In other cases, after the necessary borrowing had been authorized by the province, bad weather, strikes, shortages of materials and manpower delayed the actual construction schedules. Some municipalities applied too late to expect to be able to earn much if any forgiveness. As a

result, construction work corresponding to perhaps $50 million and covering some 200 to 300 separate loans will not be completed until after March 31.

• (11:10 a.m.)

The act has fulfilled its main purpose, and it is not intended to propose any addition to the $400 million of funds made available or any extension beyond March 31, 1966 in the date by which projects must be approved.

As hon. members are aware, strong representations have been made to the government to extend the date for the calculation of forgiveness, most recently by a delegation of provincial ministers and their representatives. The suggestions ranged from extension for a few months to indefinite extension. The government has been giving careful study to these representations and has been impressed by the evidence of the difficult financial situation which some of these municipalities will encounter if, because of circumstances beyond their control, they are unable to earn the forgiveness they had expected to earn before March 31, 1966.

On the other hand, the government has also had to take into account that some municipalities decided not to apply or were prevented by their provincial boards from applying because they would not be able to earn full forgiveness before March 31, 1966. The government has also been aware, and I have no hesitation in saying this, that some municipalities have no expectation of earning forgiveness and are taking advantage of the act for its favourable financing facilities only.

Taking all these conflicting factors into account, the government has decided that it will ask parliament for authority, by means of a vote in the supplementary estimates for 1966-67, to pay to municipal borrowers under this legislation such additional amounts of forgiveness payments as may be necessary as a result of extending the relevant termination date by six months. That is, I am proposing that the 25 per cent forgiveness payment should be made with respect to all project costs incurred up to and including September 30, 1966. This extension will probably require additional payments amounting to about $12 million beyond those already contemplated.

Mr. Speaker: Order, please. Perhaps this might be a good moment for the Chair to unburden itself of a very weighty opinion prepared following the discussion in the house on Tuesday, February 15, when hon. members were invited to argue the point of order raised by the hon. member for Cumberland (Mr. Coates). The Chair undertook to give a decision after considering the arguments submitted. I can assure hon. members that I have studied most carefully the several views expressed by those who participated in the discussion on the point of order.

[Mr. Sharp.]

As hon. members know, it has been the practice for some years that when a minister of the crown makes an announcement or a statement of government policy on motions, a spokesman for each of the parties in opposition to the government may comment briefly.

Beauchesne refers to this practice in citation 91 of his fourth edition. On February 1, 1954 Mr. Speaker Beaudoin stated that it was the practice of the house, when a minister makes a statement, to allow one spokesman for each opposition party to make observations, and he referred to a ruling in that regard made by his predecessor, Mr. Speaker Macdonald, on June 4, 1951.

Last year this practice was embodied in our rules and is now provisional standing order 15(2a), which reads as follows:

> On motions, as listed in section (2) of this standing order, a minister of the crown may make an announcement or a statement of government policy. Any such announcement or statement should be limited to facts which it is deemed necessary to make known to the house and should not be designed to provoke debate at this stage. A spokesman for each of the parties in opposition to the government may comment briefly, subject to the same limitation.

In 1963 an amendment was brought to the Senate and House of Commons Act, which reads as follows:

> There shall be paid to each member of the House of Commons, other than the Prime Minister or the member occupying the recognized position of Leader of the Opposition in the House of Commons, who is the leader of a party that has recognized membership of twelve or more persons in the House of Commons, an allowance at the rate of four thousand dollars per annum in addition to the sessional allowance payable to such member.

It has been suggested that provisional standing order 15(2a) should be interpreted in the light of the amendment to the Senate and House of Commons Act in 1963 and that this amendment should be a guide to the Speaker as to the procedure to be followed in the matter of comments on ministerial statements.

There is obviously some merit to this proposition. However, one should bear in mind the following principle of parliamentary procedure laid down in subsection 3 of citation 8 of Beauchesne's fourth edition:

> In the interpretation of the rules, or standing orders, the house is generally guided not so much

by the literal construction of the orders themselves as by the consideration of what has been the practice of the house with respect to them.

We must take into consideration that after the 1963 amendment to the Senate and House of Commons Act was enacted, standing order 15(2a) was adopted by the house, and that in the same year such standing order was adopted the house accepted that the hon. member for Red Deer be permitted to make comments on ministerial statements, although at that time he had in his party fewer members than the number provided in the amendment to the Senate and House of Commons Act.

Following such precedents, I do not see how I could come to the conclusion that standing order 15(2a) is to be interpreted in the light of the amendment to the above mentioned act. At the same time I do not think it would be reasonable to conclude that independent members fall under standing order 15(2a). I do not think, also, that the hon. member for Kenora-Rainy River who contributed to the discussion, comes under this category. But until such time as the house amends the standing order dealing with ministerial statements so as to define more precisely the right to comment thereon, I am of the opinion that I should follow the practice which prevailed during the last session and interpret the standing order as permitting comments on ministerial statements by the Leader of the Official Opposition and by spokesmen for the New Democratic Party, the Ralliement Créditistes and the Social Credit party.

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, we listened with interest to the statement by the Minister of Finance with regard to this matter of the municipal development loan fund. Let me say, first of all, that this six months extension is not, in our opinion, long enough. I would remind the minister that when his predecessor introduced this legislation in 1963 he promised that should the municipalities have used the $400 million before the March 1, 1966 deadline there would be no hesitation in asking parliament to make further funds available. Apparently hon. gentlemen opposite have now changed their minds, and after having kept the municipalities waiting for a long time to see what would happen the minister comes forward today, February 18, to make this disappointing statement. This is not good enough.

I would point out that in areas such as the Atlantic area this fund has been of great assistance. Its continuation for a further six months only will be a keen disappointment. During the last reported period of 1965, unemployment in the Atlantic area amounted to 6 per cent according to figures from the Dominion Bureau of Statistics. The development loan fund was doing good work in areas such as mine where four schools within a radius of five miles were undertaken under this scheme. I do not know whether they can be completed within the six months period now allowed.

I am glad the minister and the government have listened to the representations of the official opposition and allowed at least some extension of the terms of this act but, as I say, the intention was surely to assist in providing employment, especially in areas like my own.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the announcement made by the Minister of Finance will cause considerable disappointment among the municipalities of Canada. The concession to extend the period for another six months will be of some help, but the minister has not made it clear whether this extension will enable all the municipalities which now have projects under way to qualify for the 25 per cent forgiveness.

• (11:20 a.m.)

It seems to me, in view of the very small sum of money involved, the very least the government might have done would be to agree that any projects commenced prior to this date would be allowed to qualify for the 25 per cent forgiveness because, as the minister has pointed out, there have been a great many delays due to causes beyond the control of the municipalities, which have accounted for the fact that they have not been able to complete their work. Some will certainly be unable to complete their programs by September, and it will be a very serious loss to them if they are denied the 25 per cent forgiveness provision.

The second announcement by the minister, that the government has no intention of extending the Municipal Development and Loan Act beyond March 31, is even more disappointing. I think the conference of mayors and municipalities felt fairly confident, when the former minister of finance introduced this measure, that we were taking the first step toward setting up in Canada a permanent municipal loan fund. The house has to remember that there are a great many

municipalities, particularly smaller municipalities, which cannot borrow money at the same interest rates as can the larger urban centres. Many of these small municipalities must pay exorbitant rates of interest, if they can borrow money at all, and the absence of any federal municipal loan fund means that many of the more needy communities will be prevented from undertaking much needed municipal works.

We in this party had always hoped the government would establish a permanent municipal bank or municipal loan fund to allow the municipalities to borrow money at reasonable rates of interest. The federal government can borrow more cheaply than the municipalities, and without great cost it could save the municipalities a great deal of money. But even more important it could enable the poorer municipalities to undertake projects which otherwise would be impossible. This is one way in which the government could equalize opportunity as between the different municipalities and they will be disappointed, as are we, that the government has decided not to extend the Municipal Development and Loan Act so as to make this a permanent feature of our Canadian way of life.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, the measures taken by the government to assist municipalities through the granting of loans seem to me completely inadequate.

As a matter of fact, if we consider the situation in which most of our municipalities find themselves, we readily realize that they need government assistance all year round and not only during a given period.

The minister has just said that 1,300 municipalities have benefited from such loans and advantages provided under the federal act. He told us also that some municipalities have not undertaken any municipal works because they were unable to complete them by March 31, 1966.

The minister does not say if these municipalities can undertake works now, tomorrow or next week, and benefit from the provisions of the act until September. The hon. minister's statement is not very clear.

In any event, I endorse what the hon. member for Burnaby-Coquitlam (Mr. Douglas) has just said about this municipal development and loan act. I feel this should be a permanent and not merely a temporary measure, because Canadian municipalities do not exist only until March 31, 1966 or September 30, 1966, but problems will still be facing them after that. Therefore, let us help the municipalities by making this act permanent, so that the municipalities may be treated equitably throughout the year.

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I am sure there are many municipalities across the country which will be grateful for the announcement the Minister of Finance has just made. I believe that in so far as the previous act is concerned this new policy will cover the majority of needs where municipalities have not been able to complete projects and claim benefits in accordance with the previous deadline.

However, the need for assistance in financing capital development across this country, particularly as it relates to municipal governments, is urgent. The minister has said that the purpose of this change is to assist in relieving the unemployment situation, but the real need in this country as far as local governments are concerned is not direct relief for unemployment, but money for capital development which cannot be obtained except at exorbitant interest rates. In this regard the tax rate imposed on local taxpayers by many municipalities is made up more in interest charges than for capital for the necessary projects for those communities.

Therefore, Mr. Speaker, I urge upon the Minister of Finance that what we need is a permanent set-up to provide this capital. It would seem much wiser for the government to bring in permanent extension, rather than a temporary provision, which would give the type of assistance the government has given under the municipal loans fund in the past years. The need goes beyond that, and that is why we in the Social Credit party down through the years have asked for a definite and complete municipal financing set-up which we believe could best be done through a municipal development bank as part of the Bank of Canada, where such money could be obtained at a reasonable cost which would give hope of meeting the development needs of the country with some relief to the taxpayers.

[*Translation*]

POWER

MANITOBA—TABLING OF CORRESPONDENCE RESPECTING NELSON RIVER

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, I wish

to table copies of correspondence between Mr. Roblin, Premier of Manitoba, and myself, concerning power development of the Nelson river. Mr. Roblin is doing likewise today in Winnipeg.

[*English*]

EDUCATION

QUEBEC—TELEGRAM FROM FEDERAL MINISTERS RESPECTING GRANT ALLOCATION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Industry asking whether the most unusual action taken by him and the Minister without Portfolio (Mr. Turner) yesterday in connection with the government of Quebec, as to what that government ought to do in the field of education, however justifiable the objectives were, was taken as members of the government or on their own?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, if I may speak on behalf of myself and my colleague, a telegram was sent jointly by myself and the member of parliament for St. Lawrence-St. George as members of parliament for two ridings on the island of Montreal, to two members of the provincial legislature from the island of Montreal, to seek to obtain their assistance in finding out whether something can be done for the university of which I am a graduate.

Mr. Diefenbaker: Was that done with the approval of the cabinet or did the minister do it on his own? No matter how justifiable the objective, does the minister think this is constitutionally proper?

Mr. Drury: Perhaps this is slightly argumentative—

Mr. Diefenbaker: No, it is not argumentative; it is factual.

Mr. Drury: —but I do think it is constitutionally proper. As I explained to the right hon. gentleman, this telegram was sent and signed by me in my capacity as a member of parliament and a graduate of McGill university.

Some hon. Members: Hear, hear.

Mr. Starr: You are a member of the cabinet. Have you got a dual role?

[*Translation*]

[*Later:*]

Mr. Maurice Allard (Sherbrooke): A supplementary question, Mr. Speaker. In view of the Minister of Industry's telegram—incidentally, I commend him for defending the cause of minorities—would he and his colleague, in the same spirit, consider sending telegrams to the nine other premiers to point out discrimination against French Canadians?

Mr. Speaker: Order.

[*English*]

Some hon. Members: Order.

Mr. Speaker: Order.

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I have a supplementary question for the Minister of Industry. Did not the telegram contain information about grants from the National Research Council, was not the minister speaking partly in his capacity as the minister responsible for the National Research Council grants, and will the minister table the telegram?

Mr. Speaker: Order, please. The minister has answered two questions along the same line. I have some doubts as to whether they are proper questions for orders of the day because to some extent I suggest the minister was not asked to answer a question in his capacity as Minister of Industry.

Mr. Diefenbaker: No.

Mr. Speaker: In view of this it seems the question was not entirely in order. In any event, I suggest that the minister has replied to the question as posed and perhaps we might go on to another matter.

Some hon. Members: No.

Mr. Fairweather: Mr. Speaker, I give notice of my intention to debate this matter at ten o'clock on Monday evening.

Hon. E. D. Fulton (Kamloops): Mr. Speaker, one more supplementary question, because I think this has a bearing on the matter. The minister has replied that he sent the telegram in his capacity as a member of parliament from Montreal island. What significance, then, do we attach to the fact that no other Liberal member from Montreal island was concerned with this telegram but only two cabinet members?

Mr. Speaker: Order, please. That is not a proper question.

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, in connection with an earlier question, I ask the Minister of Industry whether he will table that communication which he and the Minister without Portfolio sent? Second, I ask the

Prime Minister whether he has been in touch with Premier Lesage, and is in agreement that the allocation by the province of Quebec to McGill University is "a calamitous shortfall"?

Right Hon. L. B. Pearson (Prime Minister): This is a matter for discussion between the province of Quebec and the university in question. I understand those discussions are taking place.

Mr. Diefenbaker: I ask, did the Prime Minister have communication yesterday with the premier of Quebec in this connection, and does he agree that the allocation of that $17 million is, to use the words of the Minister of Industry, "a calamitous shortfall"?

Mr. Speaker: Perhaps the first question might be answered.

Mr. Pearson: I had no discussion with the premier of Quebec on this matter.

[*Later:*]

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to ask a question of the Minister of Industry. Would he be good enough to table the telegram that he and the Minister without Portfolio sent to certain ministers of the province of Quebec in respect of university grants?

Mr. Drury: Mr. Speaker, as I pointed out earlier this telegram was sent in my quality or capacity as a member of parliament. I wonder whether it would be appropriate both to demand the production of this kind of correspondence and the tabling of it in this house. I will be only too glad to show any member who is interested a copy of this telegram.

Mr. Churchill: How did you sign it?

Mr. Drury: In reply to the aside which came across the aisle, I signed it "C. M. Drury, M.P., Saint Antoine-Westmount".

Mr. Diefenbaker: Mr. Speaker, the question whether ministers can bifurcate themselves and start directing what a provincial government ought to do is a very important one. I have a copy of that telegram here.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Yes, because the minister issued it to the press. But parliament cannot get that which was issued to the press. It says that the following telegram was sent by—

Mr. Speaker: Order, please. Is the right hon. Leader of the Opposition rising on a point of order or a question of privilege, or to ask a question?

[Mr. Diefenbaker.]

Mr. Diefenbaker: I rise on a question of privilege, sir. No minister can adopt the attitude of pretending that he is doing something in his private capacity when he sends a telegram to Hon. Eric Kierans and Hon. R. Hyde, one Minister of Health and the other Minister of Revenue, and signs it "Hon. C. M. Drury, M.P., Saint Antoine-Westmount" and "Hon. J. N. Turner, M.P., St. Lawrence-St. George". I say they have not ceased to be ministers because they are members.

It is most improper on the part of any minister to communicate with and direct or suggest to a province that moneys coming from the federal parliament shall be used for a certain purpose, however laudable and however much I agree that McGill University is being ill treated.

Mr. Pearson: Mr. Speaker, this is, of course, a very complicated and difficult matter. Perhaps some light would be thrown on the propriety or otherwise of my hon. friends' conduct when we recall, as I remember it, that when the right hon. gentleman was Prime Minister he attended a provincial Conservative convention in Saskatchewan. As I recall, he emphasized at that time that he was attending as a member of parliament from Saskatchewan.

Mr. Diefenbaker: Mr. Speaker, the Prime Minister's recollection as usual has no basis in fact.

Mr. Fairweather: A supplementary question.

Mr. Speaker: Order, please. I am just wondering whether the Chair is expected to rule whether or not there is a question of privilege. Perhaps it would be the better part of wisdom not to rule on the question at all and to go on to something else.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to put to the Minister of Industry a supplementary question concerning his telegram to McGill University.

Does the Minister think that McGill University at this moment is being discriminated against in the province of Quebec as compared to the University of Montreal or Laval University?

[*English*]

Mr. Speaker: Order, please. This question is out of order.

[*Translation*]

Mr. Grégoire: I rise on a question of privilege.

You allowed the Leader of the Opposition (Mr. Diefenbaker) to state in the house that McGill University was being ill treated by the Quebec government.

Now, I happen to have a question for the Minister of Industry who saw fit to deal with this matter.

Mr. Speaker: The hon. member is making an interesting point, but the question, in its present form, is certainly not in order, since the hon. member is not seeking to obtain urgent information in the circumstances.

Mr. Grégoire: It is rather urgent.

[*English*]

[*Later:*]

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I have a question for the hon. member for Saint-Antoine-Westmount.

An hon. Member: In his capacity as minister?

Mr. Fairweather: I will deal with that question. Did the hon. member release to the press a copy of his telegram to the Quebec ministers, and if so would he be kind enough to extend the same courtesy to members of parliament?

Mr. Drury: Mr. Speaker, I hesitate to suggest that questions addressed to individual members of parliament are not in order. I assume, however, that the hon. member is addressing me in my capacity as Minister of Industry. I shall be very glad, as I offered earlier, to provide copies of this telegram to any member who desires it.

An hon. Member: Table it, then.

HOUSE OF COMMONS

ROYAL COMMISSION ON APPOINTMENT OF OMBUDSMAN

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, in view of the widespread interest in the visit to Canada of Sir Guy Powles, the New Zealand ombudsman, I should like to ask the Prime Minister about the commitment contained in last year's Speech from the Throne to the effect that the government intended to appoint a royal commission to investigate the desirability of appointing a parliamentary commissioner or ombudsman for Canada. Does the government intend to initiate such an investigation, or has this been dropped from the program?

Right Hon. L. B. Pearson (Prime Minister): We are looking into this matter, Mr. Speaker. It is more complicated here than in the case of a country like New Zealand because it has federal-provincial implications. Therefore it may take a little time before a decision is reached.

Mr. Douglas: A supplementary question, Mr. Speaker. Since the government promised to set up a royal commission to investigate this matter, has the government changed its mind about initiating such an investigation?

Mr. Pearson: No, Mr. Speaker; and the commission in question when it is set up will investigate not only the question of an ombudsman but an administrative tribunal.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

QUEBEC—EXTENSION OF TELEVISION SERVICE IN CHIBOUGAMAU REGION

On the orders of the day:

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

Has the minister received a brief submitted by the Chamber of Commerce of Chibougamau with a view to obtaining free C.B.C. television service for this area which is not served at present by government-owned radio or television network?

Mr. Speaker: Order. Unless this question is of a very urgent nature, which I fail to see at the moment, I suggest that the hon. member put it on the order paper.

Mr. Caouette: Mr. Speaker, the matter has been urgent for at least three years, and it would be about time the minister—

Mr. Speaker: Order.

[*English*]

CANADIAN CENTENNIAL

ALLOCATION OF FUNDS UNDER ADVERTISING PROGRAM

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Secretary of State. In view of the fact that the MacLaren advertising agency has just received $151,000 from the federal government for advertising the benefits of the Canada Pension Plan, and in view of the minister's announcement yesterday that this advertising agency will be one of three participating in a $5 million advertising program

for the centennial, would it not have been better if this advertising program had been shared among some other advertising agencies?

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

NATIONAL DEFENCE

INQUIRY AS TO NEGOTIATIONS RESPECTING CANADA'S NUCLEAR ROLE

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a question for the Prime Minister. In order to assist the house in its consideration of the subject of national defence, will the Prime Minister inform us of his success during the last three years in fulfilling his promise to negotiate Canada out of its nuclear role?

Mr. Speaker: Order, please. This is a very interesting question but it seems to me it is the type of question that would require a long answer and is not the type that should be asked or answered at this time.

[*Later:*]

Mr. Churchill: I rise on a point of order, Mr. Speaker. I did not have the opportunity to do so right after you indicated that the answer to my question might be lengthy. My point of order is this. How is it possible to determine in advance whether an answer will be lnog or short? I do not think that is possible.

Mr. Speaker: I admit with the hon. member that it is very difficult, but it is one of the responsibilities of the Chair.

Some hon. Members: Hear, hear.

[*Later:*]

Mr. Churchill: I have a question for the Prime Minister which will require a very short answer. Is the Prime Minister going to fulfil his promise to negotiate Canada out of its nuclear role?

Right Hon. L. B. Pearson (Prime Minister): As my friend the Minister of National Defence indicated last night—it was too bad my hon. friend was not listening carefully—we are at present doing just that.

[*Later:*]

Mr. Speaker: The hon. member for Burnaby-Cowichan-The Islands.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I will straighten out my credentials later. My question is for the Prime Minister. It arises out of an answer he gave a few minutes ago to the hon. member for Winnipeg South Centre in which he indicated that the government was now in the process of negotiating itself out of its nuclear role. My question is, how does the Prime Minister reconcile that statement with the statement made last night by the Minister of National Defence that appears at the bottom of page 1418 and at the top of page 1419 of *Hansard* of yesterday's date, where the Minister of National Defence is reported to have said:

> At that time our six squadrons in Germany will be fully operational in the non-nuclear attack role as well as in the nuclear strike role.

Mr. Churchill: "As well as in the nuclear strike role".

Mr. Speaker: Order, please. I suggest that the hon. member is entering into argument when he asks one minister to try to reconcile one statement with a statement made by another minister. That is argument.

An hon. Member: It is a possibility, surely.

Mr. Speaker: Order, please. It is an argument so far as the Chair is concerned.

[*Translation*]

VAL D'OR, QUE.—MAINTENANCE COST OF NUCLEAR BASE

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I direct a question to the Minister of National Defence?

Are the operating costs of the nuclear base at Val d'Or paid in full by the Canadian government or does the latter get help from the United States?

Mr. Speaker: That question is very important and very interesting, but it is not so urgent that it cannot be put on the order paper.

[*English*]

OLD AGE SECURITY

DISCUSSIONS WITH PROVINCES RESPECTING INCREASED PAYMENTS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, could I ask the Prime Minister whether, as reported, the government is giving consideration to an increase in old age pensions, and whether it is communicating with several provinces to secure consent on the part of the provinces to the acceptance by them of part of the cost load?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the government is at the moment attempting to put into effect as quickly as possible the Canada assistance program and is, in addition, considering what more can rightly be done to improve the position of pensioners in this country.

Mr. Diefenbaker: Was the Minister of National Defence speaking for the government when, as reported in the Toronto *Telegram* of yesterday, he said:

> Defence Minister Paul Hellyer was asked if the pension would be increased.
> "It's inevitable", he replied. But he declined to say when he thought it would happen.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Does the Prime Minister agree with that?

Mr. Pearson: The Minister of National Defence was quite correct in that statement. It is inevitable because we have linked the pension to the cost of living; therefore it goes up as the cost of living goes up over the years.

Some hon. Members: Hear, hear.

Mr. Starr: An increase of a dollar and a half in 1968.

[*Translation*]

Mr. Maurice Allard (Sherbrooke): I rise on a point of order, Mr. Speaker.

Mr. Speaker, on a point of order about the question put by the Leader of the Opposition to which you allowed the right hon. Prime Minister to reply. I should like to know what difference there is between the question I raised yesterday in this house concerning family allowances and the question of the Leader of the Opposition. It was a similar question and you said it was out of order.

Mr. Speaker: The hon. member knows these decisions are taken on the spur of the moment. If he wants to appeal from the decision of the Chair, he may refer the subject matter of his question for debate on the adjournment motion.

Mr. Allard: I wish to discuss this question at ten o'clock at the next sitting of the house.

[*English*]

Mr. Andrew Brewin (Greenwood): Mr. Speaker, so many points of order have been raised that I have almost forgotten the question to which mine is a supplementary, but it relates to the question of old age pensions. I wanted to ask the Prime Minister whether the government is giving consideration to the recommendation of the Senate committee on aging for a guaranteed minimum income for all over 65.

Mr. Pearson: Yes, Mr. Speaker. I answered this question the other day and said at that time the government was giving very careful and immediate consideration to the important recommendations of the Senate committee, and that a committee had been set up for that purpose.

[*Later*]

Mr. Eric A. Winkler (Grey-Bruce): I should like to ask the Prime Minister a question arising out of an earlier question. I should like to ask the Prime Minister, in view of his reply in regard to old age security increases and the question asked by the hon. member for Bow River with regard to the rapidly rising cost of living, if he will tell us approximately what the date of that inevitability might be, as referred to by the Minister of National Defence?

Mr. Pearson: No, Mr. Speaker.

[*Later:*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I put a question to the Prime Minister. In view of his statement earlier this morning that the government is anxious to proceed with the Canada Assistance Plan, can he say when this legislation will be on the order paper so that we all may have a look at it?

Mr. Pearson: Mr. Speaker, from the way we are now progressing, I am quite sure that it will be on the order paper before we are able to take it up, so that hon. members will have an opportunity of looking at it before it reaches the chamber.

THE CANADIAN ECONOMY

STEPS TO MEET INCREASE IN COST OF LIVING

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): I should like to direct a question to the Prime Minister, and I think it is of great national importance. Would the Prime Minister take the house into his confidence at an early date and outline the steps the government is prepared to take immediately to curb the ever escalating cost of living, particularly since he dealt with it in answer to the Leader of the Opposition?

Mr. Speaker: Again, this is the type of question that is very general in nature. The hon. member is asking for a general statement of policy. The question requires a detailed reply, and if the minister makes a long

statement there will be objections on the part of other members in the house.

Mr. Woolliams: Mr. Speaker, I did not ask for a statement today. I asked if the Prime Minister would be prepared to make a statement in the future outlining what the government intends to do. I did not ask for a reply today, but I should like to know if he is prepared to outline his policy in the near future, because we would like to hear it.

Right Hon. L. B. Pearson (Prime Minister): The hon. member will have ample opportunity to hear it in connection with the budget presentation and in other ways.

PENITENTIARIES

COLLINS BAY—INVESTIGATION INTO ESCAPE OF PRISONERS

On the orders of the day:

Mr. Erik Nielsen (Yukon): I should like to direct a question to the Solicitor General having to do with the appointment last Wednesday by the government of a judicial inquiry into the escape of four inmates from Collins Bay penitentiary. Can the Solicitor General inform the house whether such a judicial inquiry has been appointed, and if so why it was not announced last Wednesday when it was appointed?

Mr. Speaker: A question of a similar nature was asked yesterday or the day before. It is difficult to remember whether it was in exactly the same terms as the one which is now being asked by the hon. member. However, it appears the Solicitor General is prepared to reply now. He may refer at the same time to the question which was asked before.

Hon. L. T. Pennell (Solicitor General): In reply to the hon. member may I say that the appointment of Judge Deyman was made under the Penitentiaries Act by the commissioner, and not by the minister. I do not know if all the details have been cleared and whether the judge has secured approval from the senior county court judge to act in this capacity. However, I believe this permission will be forthcoming.

Mr. Frank Howard (Skeena): I wish to pose the question which I posed yesterday and which you invited the minister to answer but he did not. Yesterday I asked whether he had any statement to make about reports that (1) officials at Collins Bay penitentiary knew of an impending break and, (2) at least one of the guards' rifles was so mucked up with grease it would not fire.

[Mr. Speaker.]

Mr. Speaker: I appreciate the hon. gentleman's assistance in reminding me of the question and confirming the fact that the question was out of order.

Mr. Nielsen: May I ask a supplementary question of the Solicitor General. Do I take it that such an inquiry has in fact just been appointed?

Mr. Pennell: The answer is in the affirmative, Mr. Speaker. I understand that if clearances are given the inquiry will commence next Monday.

SHIPBUILDING

BRITISH COLUMBIA—REQUEST FOR CORRESPONDENCE RESPECTING SUBSIDIES

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I have a question to ask of the Prime Minister arising out of a statement made last night by the Minister of Transport in committee of supply to the effect that the Prime Minister had received a letter from the premier of British Columbia in connection with the shipbuilding subsidy program. I ask the Prime Minister if he will table a copy of the letter from the premier of British Columbia and his reply to it. If so, when can he do this?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it was not a letter, it was a telegram. I have been working this morning on a reply to the telegram in the form of a letter. If the premier of British Columbia has no objection, I would certainly be glad to table the communications.

NORTHERN AFFAIRS

REQUEST FOR EXTENSION OF ROADS TO RESOURCES PROGRAM

On the orders of the day:

Mr. Robert Simpson (Churchill): I have a question for the Prime Minister. Has the government given any further consideration to the possibility of extending or re-establishing the roads to resources program?

Right Hon. L. B. Pearson (Prime Minister): Perhaps I could take that question as notice.

LABOUR RELATIONS

WHITESHELL, MAN.—STRIKE AT NUCLEAR RESEARCH STATION

On the orders of the day:

Mr. E. R. Schreyer (Springfield): My question is addressed to the Minister of Industry, although it may come within the purview of the Minister of Labour as well; I am not sure.

In view of the strike which began Wednesday at the nuclear research establishment at Whiteshell, Manitoba, has the minister involved himself in any steps or action leading to an eventual settlement?

Hon. C. M. Drury (Minister of Industry): No, Mr. Speaker. The nuclear establishment at Whiteshell comes under the jurisdiction of Atomic Energy of Canada Limited, which now reports to parliament through the Minister of Mines and Technical Surveys.

Mr. Schreyer: Then may I ask a supplementary question of the Minister of Mines and Technical Surveys. Has that minister involved himself in any steps or taken any action to help settle the strike at this research establishment?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): May I take this question as notice.

[*Later:*]

Mr. Schreyer: Mr. Speaker, I have a question for the Minister of Mines and Technical whether certain directives have been issued operators at the Atomic Energy plant at Whiteshell, Manitoba. My question is, has the minister or the government issued any directive to Atomic Energy of Canada Limited relative to wage levels and wage differentials to be paid as between the Chalk River plant and the Whiteshell plant? Perhaps the minister may not want to answer at this time but would like to take this as notice.

Mr. Speaker: The hon. member is asking whether certain directives have been issued to employees of the government. I suggest that in that form the question cannot be accepted at this time.

[*Translation*]

QUEBEC—WAGES PAID TO WORKERS IN GOLD MINES

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Minister of Mines and Technical Surveys.

Is the Minister currently considering the situation in the gold mines of northwestern Quebec where employees must work for starvation wages because of the price of gold.

Mr. Speaker: This is a question of a general nature. I presume the minister has noted the representations of the hon. member.

[*English*]

CANADA PENSION PLAN

INTEGRATION WITH CIVIL SERVICE AND ARMED FORCES PLANS

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): I have a question for the Minister of Finance. In view of the general concern of civil servants over the proposed integration of their pension plan with the Canada Pension Plan, will the minister give assurance that amendments to the Public Service Superannuation Act will be referred to a standing committee or special committee which may be established?

Hon. Mitchell Sharp (Minister of Finance): I would not undertake to give that assurance, but I will certainly take this suggestion into consideration.

Mr. Chatterton: Can the minister advise if a decision has been taken as to whether members of the armed forces will be brought into the Canada Pension Plan and their own pension act amended accordingly?

Mr. Sharp: My recollection is that the matter is being studied. It is very complicated, as are all these matters.

WATER RESOURCES

ONTARIO—ACQUISITION OF LAND FOR CONSERVATION PROJECTS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to ask the Minister of Mines and Technical Surveys if he has yet been in negotiation with his opposite number in the province of Ontario concerning federal contributions to conservation projects.

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): I am to meet soon the Ontario minister to discuss with him all kinds of problems presently pending between the federal government and the provincial government.

STEPS TO IMPLEMENT REPORT ON GREAT LAKES POLLUTION

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Mines and Technical Surveys. On Wednesday the minister, in reply to a question which I put, commenced to read a fairly long statement on water pollution, and Your Honour decided that that statement should not be completed.

Inquiries of the Ministry

May I ask the minister whether he intends to complete this statement on motions.

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, I could do so in a few seconds by enumerating some of the things that have been done recently in the field of pollution.

A federal-Ontario committee has been formed by the International Joint Commission, and is very active. An interdepartmental committee is being set up by the federal government. I am meeting next week with the Canadian representative on the International Joint Commission. I am meeting with the Ontario minister in a few weeks on this same subject and others. I intend to be as active as possible in these matters, because I give them as much importance as does the hon. member.

Mr. H. W. Herridge (Kootenay West): A supplementary question to the minister. Will all these meetings that the minister has mentioned be carried on *sub rosa*?

VETERANS AFFAIRS

INQUIRY AS TO ACTION RESPECTING AMENDMENT OF LEGISLATION

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): I have a question for the Minister of Veterans Affairs. Does the minister intend to introduce legislation to change the pension act, as he promised last session and as recommended by the committee on veterans affairs in 1963?

Hon. Roger Teillet (Minister of Veterans Affairs): I do not know whether it is proper to answer that question. I did promise, and carried out the undertaking last year on the question of amending the act.

I am certainly not going to commit myself to anything at this moment until I receive the report from the inquiry committee.

Mr. McIntosh: A supplementary question. Would the minister inform the house when he expects this report from the committee which he has set up?

Mr. Teillet: I will make inquiries and report.

BUSINESS OF THE HOUSE

REQUEST FOR EARLY CONSIDERATION OF BILL RESPECTING FAIR WAGES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Minister of Labour whether he is yet in a position to answer my question of last Monday concerning the possibility of bringing on Bill No. C-2, an act to amend the Fair Wages and Hours of Labour Act, for possible early passing.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, if my recollection is correct, what the hon. member asked me last week was whether I would discuss this matter with the government house leader; really draw it to his attention. That I have done, and I have his assurance that it will be placed on the list of work for this session when developments in the house warrant so doing.

[*Translation*]

HEALTH AND WELFARE

INQUIRY AS TO HEALTH WARNING ON CIGARETTE PACKAGES

On the orders of the day:

Mr. Antonio Yanakis (Berthier-Maskinongé-Delanaudière): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare?

In view of the urgency of the situation and in the interest of national health, does the government intend to compel the tobacco companies to print on the outside of cigarette packages a warning about the harmful effect of smoking?

Mr. Speaker: I would suggest to the hon. member to put his question on the order paper.

[*English*]

GRAIN

WHEAT—INQUIRY AS TO DATE OF FINAL PAYMENT

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I should like to address a question to the Minister of Finance. I wonder whether the minister is now in a position to tell the country the exact date when the cheques for the final wheat payments will be issued.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I am sorry I am not yet in a position to announce this date. I have received the first recommendation from the wheat board for the transfer of the unsold balance, and I expect that within the next day or two I will be receiving their recommendation for the level of final payments.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, my question is directed to the Minister of Veterans Affairs, the Manitoba representative in the cabinet. I should like to

ask him whether he has received any representations from the mayor and city councillors of Portage la Prairie with respect to inclusion of that city as a designated area for—

Mr. Speaker: Order. I submit to the hon. member that he cannot ask questions to a member of the cabinet in his capacity as representing a province, but only in his capacity as minister.

[*Translation*]

AGRICULTURE

QUEBEC—EXTENSION OF CROP INSURANCE TO INCLUDE FEED GRAIN

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, may I put a question to the Minister of Agriculture?

Mr. Caouette: Order paper.

Mr. Choquette: Could the minister tell us whether the federal-provincial discussions which took place yesterday were favourable to Quebec's proposals to include fodder under the insurability projects in connection with the application of the crop insurance act across the country?

Mr. Speaker: Order, order.

Mr. Choquette: The federal provincial conference took place yesterday and we would like to know the results.

Mr. Speaker: Order. Perhaps the hon. member could put his question on the order paper and thus get the answer he wants.

Mr. Gilles Grégoire (Lapointe): A supplementary question, Mr. Speaker.

[*English*]

SPORTS

ROYAL COMMISSION INQUIRY INTO AMATEUR ATHLETICS

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is addressed to the minister in charge of health and physical fitness. In light of the very strong statements made in the legislature of British Columbia and related questions in the legislature of Alberta in the last two days, is the government prepared to set up a federal royal commission to examine the status of amateur athletics?

Hon. A. J. MacEachen (Minister of National Health and Welfare): No consideration has been given to this proposal, Mr. Speaker.

INDUSTRY

HEAVY WATER—REQUEST FOR STATEMENT ON SECOND PLANT

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I have a question I should like to direct to the Minister of Industry. In view of the fact that the time limit invitation to Canadian General Electric to review the possibility of developing a second heavy water plant in Canada is now drawing to a close, could the minister state when he will be in a position to report to the house on this important matter?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, as I mentioned earlier, responsibility for Atomic Energy of Canada Limited now rests with the Minister of Mines and Technical Surveys.

Mr. Douglas: Repeat the question.

Mr. Southam: My question is this, Mr. Speaker. In view of the fact that the time limit invitation to Canadian General Electric to review the possibility of developing a second heavy water plant in Canada is now drawing to a close, could the minister state when he will be in a position to report to this house on this very important matter?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, I do not think I should anticipate a decision still pending. We are still within the time limit allocated to Canadian General Electric, and I think I should delay answering that question.

BROADCASTING

ANNOUNCEMENT OF APPOINTMENTS TO BOARD OF GOVERNORS

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): I have a question for the Secretary of State. In view of the very important hearings which the Board of Broadcast Governors will be conducting next Wednesday concerning the subject of the C.T.V. network, can the minister inform the house if the board will be up to full strength for that meeting?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I have to advise that Mr. Pierre Juneau, formerly of the National Film Board, has been appointed as vice chairman of the Board of Broadcast Governors, and Mr. David Sim of Ottawa as the third member.

Inquiries of the Ministry

EDUCATION

REPORTED CANCELLATION OF TOUR BY GLASGOW STUDENTS

On the orders of the day:

Mr. R. N. Thompson (Red Deer): I have a question to address to the Secretary of State. Would the hon. lady inform the house whether it is true that plans by the Glasgow educational authorities to send 1,000 children here on a special tour next year have been cancelled because of a lack of accommodation available for those young tourists?

Mr. Speaker: Order, please. I wonder if this question is so urgent that it should be answered at this time. Perhaps the hon. member might care to place it on the order paper.

HOUSE OF COMMONS

RAISING OF QUESTION OF PRIVILEGE WITHOUT NOTICE

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I rise on a question of privilege affecting the privileges of all members of the house. I do so with reluctance because the hon. member concerned is not in his seat. The hon. member who is concerned in the question of privilege is the hon. member for Montmagny-L'Islet (Mr. Berger).

Mr. Speaker: Order, please. Before the hon. member raises any question of privilege he must take into consideration that according to standing orders he is required to give prior notice to the Chair one hour before the opening of the house. Unless I am wrong the hon. member has not given such notice; therefore I suggest that he cannot raise a question of privilege of the type he appears to have in mind at the present time.

Mr. Nielsen: Mr. Speaker, I would be very happy to put it off until Monday, when the hon. member I have referred to will very likely be in his seat.

Mr. McIlraith: It is when you have complied with the rules.

Mr. Speaker: It is not because the hon. member referred to is not in his seat but because the hon. member raising the question of privilege has not complied with the requirement of the standing order to the effect that the notice must be given one hour before the opening of the house, that the question of privilege may not now be raised.

[Miss LaMarsh.]

EXTERNAL AFFAIRS

DISCUSSIONS BETWEEN CANADIAN AND U.S. MINISTERS

On the orders of the day:

Hon. J. A. MacLean (Queens): May I direct a question to the Prime Minister and ask him if he could inform the house as to the main purpose of the discussions being carried on today, I believe, between the Secretary of State for External Affairs and some ministers in Washington.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the Secretary of State for External Affairs was in New York last evening and, as I think he indicated to the house, he was there to discuss matters of interest and importance with the Secretary General of the United Nations and with the United States representative to the United Nations. The main subject of discussion was the situation in Viet Nam. Other matters may have been discussed as well.

Today in Washington he is to meet with the Secretary of State and other officials of the United States government to discuss with them Viet Nam and other questions. He will make a report of his discussions to this house after he returns over the week end.

SUPPLY

The house in committee of supply, Mr. Batten 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 $2,560,546,715 for the purposes of votes 1, 5, 15, 20, 25, 30, 35, 40 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 $1,044,262,000 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 in respect of assistance rendered to the United Nations, any party of the North Atlantic Treaty Organization or any provincial or municipal government, $5,204,855.

Mr. Harkness: Mr. Chairman, in the few minutes at my disposal last night I drew attention to the low state of morale in our armed forces and referred to some of the evidence which shows how serious the situation is. In particular I drew attention to the heavy loss of highly trained personnel which has left the armed forces unable to carry on effectively so far as some of its units are concerned.

In this regard I mentioned the situation in the navy where some 20 per cent or 25 per cent of our remaining fighting ships are tied up at Halifax and Esquimalt for lack of sufficient trained personnel to man them. Looking at the army, we find that every unit posted overseas for duty, whether in Germany, Cyprus or the Middle East, must have its numbers brought up to strength by postings from the units remaining in Canada, leaving the latter at greatly reduced strength. Apparently, sufficient numbers for the infantry required in Cyprus could not be obtained by posting men from units of the same kind. When the Royal Canadian Regiment was posted there artillery personnel had to be sent to the island to make up the numbers.

This is all too reminiscent of the conditions which existed in late 1944 and 1945 during the last war in Europe when the manpower policies of the government of that day resulted in units engaged in northwestern Europe, particularly infantry units, being seriously under strength. The result was that men from other units of all kinds, untrained in infantry work, had to take on infantry jobs for which they were not prepared.

I myself was in command of an artillery unit which had to hold some 12 miles of the river Maas line and during that time we lost a considerable number of men, killed and wounded, primarily because they did not know what they were doing. They were required to do an infantry job, first driving the Germans across the river and then patrolling across it. They had not been trained for this work and this resulted in unnecessary loss of life. The situation existing today, where we find artillery men being sent to do an infantry job, is all too reminiscent, as I say, of what happened in those days, days which all who experienced them hoped we would never see again.

Turning to the R.C.A.F., let me say first of all that it is well known this branch of the service is now seriously short of pilots, a situation which may not be surprising in view of the fact that only a year ago the minister compulsorily retired 500 pilots, a monumental mistake as has now become apparent and as should have been clear at the time. Possibly hon. members do not realize that the cost of training these pilots runs from $175,000 to $200,000 per man or even more. But 500 pilots were summarily dismissed from the air force. Now a year later, we find ourselves seriously short of pilots.

Of course, in addition to the 500 who were dismissed a large number of air crew on short service commissions decided not to reengage on the completion of their terms. Many others also requested discharge from the service because of factors I mentioned earlier, the low state of morale and the feeling that there was no future for them in the air force. A large number of these applications for discharge were accepted. The measure of the shortage of pilots in the air force at the present time is such that pilots in Europe are now reported to be putting in some 70 hours a week on duty. My information is that R.C.A.F. officers with engineering degrees filling supposedly vital jobs in the technical services have been taken from this work and returned to flying duty in order to keep the R.C.A.F. squadrons in the air. The question immediately arises: What is the state of efficiency of these technical services and how will they continue to operate effectively if men are to be drained away in this manner?

The minister has put out a great deal of propaganda to the effect that the changes he has instituted in the department will save a great deal of money. Most of the newspapers have accepted this propaganda and supported his programs on that basis. In actual fact, however, the amounts spent by the Department of National Defence have not declined. If we look through the estimates for the past five or six years we will see that the money estimated to be spent—in each case, of course, the estimate has been exceeded—was between $1,525 million and $1,590 million. In the current year which we are now considering the figure is $1,550 million. According to the estimates tabled this week, for next year it is $1,572 million. In other words, the minister has not saved any money.

He has continually tried to make the point that he would save a great deal of money on personnel and administrative expenses with the result that there would be more money available to provide new equipment. But so far as this year's estimates and expenditures are concerned the actual situation is that only about 12 per cent of the defence budget is to be put into new equipment, the smallest percentage in many years. In other words, the minister's claim that he would make savings in administration and personnel which could be devoted to the purchase of new equipment has not turned out to be justified.

Most important of all from a cost point of view is the fact that cost in relation to effectiveness has gone up substantially instead of decreasing. We are spending the same amount of money as we were in past years but we are not getting anything like the return in effective military units. I have called attention to the situation in the navy where the number of fighting vessels has declined to little more than half what it was when the minister took over. I have referred to the situation in the army and the air force.

• (12:20 p.m.)

The minister has attributed the severe losses of trained personnel and the difficulty in securing recruits to good economic conditions. He blithely says, "The reason we are having trouble keeping people in the forces or recruiting them is that conditions are so good under this beneficent Liberal government." That is complete nonsense. We have had good economic conditions in Canada previously but we never had the losses from the armed forces that we have experienced during the past two to three years.

So far as recruiting was concerned, in the past a high proportion of the people who enlisted in the armed forces did so because their parents or friends were members of the armed forces and encouraged them to join, but because of the state of morale in the forces at present no such urging is taking place. There are very few members or ex-members who will advise their sons and other young relatives to join the forces. That is one of the main reasons that recruiting is difficult and losses of trained personnel have been so heavy. It is not due to good economic conditions, although no one will argue that good economic conditions do not have some effect. Recruiting has always been slow when economic conditions have been good but it is not a major factor or anything like a major factor.

In order to try to correct the situation the minister is talking about pay increases and bonuses for men who re-engage. We also hear that requirements for entrance to the forces have been lowered. In addition, sea-going pay of $15 a month extra has been put into effect, this for people who in the past joined the navy because they wanted to go to sea. Of course navy personnel are glad to get it but they actually laugh at the minister for thinking he has to provide special sea-going pay in order to encourage people to join the navy. The question immediately comes to mind, what will be the effect of this on costs?

The minister is constantly talking about saving money and cutting down on costs but these increases in pay, bonuses and special sea-going pay will increase personnel and administrative costs.

The lack of morale in the armed forces is, of course, much greater in operational units and commands than may appear to be the case to the minister at national defence headquarters. He would get a much better idea of the dissatisfaction that exists if he would go to an operational command, secure the views of the men there and answer the questions of a cross-section of officers and other ranks in that command.

In his speech last night he indicated that a further integration of maritime command and R.C.A.F. maritime command took place in January, and I understand that at Halifax considerable unrest exists as a result. That would be a logical place for the minister to visit in order to find out the actual situation. However, he must be aware of the serious morale situation because he found it necessary to send an air vice-marshal to Trenton to try to sell his integration program to the personnel there and to try to stop the flood of withdrawals taking place. I am told this senior officer tried to field questions for over an hour after his speech extolling integration but the officers and other ranks did not buy what he was trying to sell.

I now turn to some questions with regard to integration and re-organization of staff at national defence headquarters. In 1964 the minister gave the defence committee an outline of the planned organization or reorganization, which is to be found in a chart at pages 140 and 141 of committee report No. 5, for June 4, 1964. This chart shows, in addition to the chief of defence staff, an assistant chief of defence staff. Then the staff is broken down into four main components or branches: First, the chief of operational readiness, with a deputy; next, the chief of personnel, with a deputy; next, the chief of logistics and engineering, with two deputies; and then a comptroller general, with one deputy.

I put a question on the order paper asking for the names and present appointments of all the officers of the rank of major general or equivalent rank and above and on February 7 I received a reply which appears in *Hansard*. This reply does not show anyone holding the appointment of chief of operational readiness or the appointment of deputy chief of operational readiness, nor does it

show anyone as assistant chief of defence staff. However, it does show a deputy chief of operations and a deputy chief of plans, neither of which is provided for in the chart which the minister gave us in 1964. The only conclusion one can come to is that the proposed organization has been found unworkable and has been drastically changed. No information with regard to this matter has been given to parliament or to the country. I should like to know what the situation is. This is one of the things the minister should explain before these estimates are passed.

On several occasions in the past I have pointed out that one of the great weaknesses in the proposed changes was the multiplicity of chains of command or lines of communication which this reorganization would produce, with a resulting great waste of time, inability to act quickly and general loss of efficiency. Instead of an operational command having one clear line of communication, as it had in the past and through which it received its orders and instructions, so far as I can make out it now will have ten lines of communication. An example is maritime command. It must have a line of communication to the assistant chief of defence staff and to the chief of plans, if these positions are what now exist, a line of communication to the chief of personnel, one to the chief of logistics, one to the comptroller general and one to each of the other commands, training command, air transport command and so forth. So far as maritime command is concerned, the situation will be even worse in that the R.C.A.F. is a component of it and it will have to have another line of communication dealing solely with R.C.A.F. questions.

It is quite clear that the result of this will be an extremely unwieldy and time-consuming type of organization tailor-made to create confusion, and one which will require more people to make it work than had been the case under the previous organization. In fact my information is that such a state of confusion, uncertainty and disorganization does exist and is one of the things which is contributing powerfully to the lack of morale in the armed forces.

• (12:30 p.m.)

Basic to all of this and the real cause of the existing difficulties is the minister's determination to institute a new system and new programs contrary in many cases to the advice of senior officers. He is attempting really, to act as the commander in chief of the defence forces and is putting in programs, deciding on equipment, forcing resignations of officers and making promotions, not on the best advice of responsible officers but rather on the basis of his own amateurish theories and prejudices.

I should now like to say something about a few equipment matters. In this regard the minister's lack of knowledge of what was required when he first became minister at least, has been shown quite clearly, I think, by what has happened. I have here a couple of press clippings parts of which I should like to put on record.

The first clipping is from the Toronto *Globe and Mail* of April 14, 1962 and it is an account of a speech the minister made. This is what the minister stated at that time:

> The federal government's proposal to purchase three submarines and eight frigates is a "complete and utter waste of $27,000,000—

Where that $27 million figure came from I do not know but I assume it is the cost of one frigate. The article continues:

> —that won't be able to supply one dollar's worth of protection from Russian atomic submarines," Paul Hellyer said last night.

The second clipping I have is from the Toronto *Globe and Mail* of May 10, 1962, and is an account of a speech made by the minister in Vancouver. He is reported as having said:

> What good are destroyer escorts and frigates against a nuclear sub they can't find five miles deep in the ocean.

The minister apparently knew so little about these things that he thought submarines were capable of penetrating five miles deep in the ocean whereas their limit is a few hundred feet. These are statements made by the minister not too long before he became the Minister of National Defence and they indicate his state of knowledge at that time.

In spite of that lack of knowledge the minister plunged ahead into all these new programs. He cancelled the general purpose frigate program which was well under way. Then in the course of time he found that if the navy was to be supplied with ships at all and keep up its strength some program along the same lines was required, so he revived the program. The same ships are being built with exactly the same hulls based on the plans that were produced at the time I was minister. Of course he now gives them a different name, helicopter destroyers or something along that line. He is only going to have four built instead of eight as originally planned.

So far as the Oberon submarines are concerned, the minister in his statement last night boasted about having obtained the first of these submarines and talked about how important this acquisition would be to the Canadian navy. I think that is an indication of how the minister has worked and the inadequacy of the knowledge he had before in this regard. He must have learned a great deal in the past few years because he has now gone ahead with the Oberon program and has reinstituted the general purpose frigate program, although on a reduced scale. His education in this regard has been expensive for the country. He has probably had the most expensive education of anybody in Canada.

In relation to the new ships which are being built, the general purpose frigate or helicopter destroyer, if the minister wishes to call it that—

The Chairman: Order, please. I apologize for interrupting the hon. member but his allotted time has expired.

Some hon. Members: Continue.

The Chairman: Does the committee give unanimous consent to the hon. member to continue?

Some hon. Members: Agreed.

Mr. Harkness: Thank you, Mr. Chairman. I will take only a very few more minutes. These new ships were to be powered by steam but I understand now that they are to be powered by gas turbine engines. Such an engine has not yet been designed for a ship of this size. I think the inevitable result will be all kinds of bugs and difficulties and no doubt a greatly increased cost. No one actually knows what the final result will be. I should like to know upon whose advice the decision was made to power these ships with gas turbine engines because I think this is a very doubtful proposition.

I should like to say something about R.C.A.F. equipment. The minister has been very boastful about the F-5 for which orders have now been placed. Following the evaluation of this aircraft in Viet Nam the United States Air Force has decided not to purchase any of them so it looks as though Canada will be the only country using the F-5.

I have before me some excerpts from a letter written by an R.C.A.F. officer who was fairly intimately concerned with the evaluation of aircraft, including the F-5. I should like to put these statements on record to give some idea of the opinion of the R.C.A.F. regarding this aircraft. This letter states:

A second comment is on the statement of the F-5. It is not only considerably inferior to the other aircraft of its comparative size and performance, but also was the only one of the three aircraft evaluated by the integrated services, i.e., A-7, A-4, F-5, which was rejected as being unsuitable. The other two were considered to be acceptable, and were considerably more effective.

The other point which has been overlooked is that the F-5 is the only aircraft of the three which is not carrier compatible. The result of course being that there is no way now for the mobile command to achieve mobility in its fighter deployment since the F-5 cannot provide any protection to the command when it moves overseas, since the aircraft has not the range or navigation facilities to protect the force while underway. In addition of course the statement that the F-5 has an outstanding record in Viet Nam is nonsense. To date, unless there has been a recent change in policy, the F-5 has only been used in South Viet Nam in local short range sorties against rifle and small arms fire from ground forces. It not only does not have the range to operate in North Viet Nam but also has such a poor weapon load that it is uneconomical to operate. The minister's remark about Canadian modifications is partly true. Mainly so because without the improvements proposed by Canada, the aircraft is virtually useless. The F-5 was designed and built as a cheap high altitude interceptor, and to modify it for a low altitude strike aircraft, virtually destroys its worth. It is interesting to note that the small A-4 is flying over 80 per cent of the missions in Viet Nam and the U.S.N. is so pleased with its performance that it will be in service until 1973. Also of course the A-7 is its replacement and is being purchased by the U.S.N. and U.S.A.F.

Both the A-7 and A-4 as stated were selected by the Canadian forces over the F-5. Costs were of little significance when performance and cost effectiveness was applied. To modify the F-5 now of course to make it effective has escalated the costs considerably.

That is the opinion of a member of the R.C.A.F. In addition to that statement we have a considerable amount of evidence from *Aviation Week* and various other United States journals regarding the performance or lack of performance and the disabilities of this aircraft. The experience in Viet Nam showed, as indicated in *Aviation Week*, that the take-off roll, in other words, the amount of runway required for this aircraft to take off, was excessive. It is therefore unsuitable for the role the minister envisages for it.

• (12:40 p.m.)

This is his statement in that regard:

Take-off roll of the MAP F-5 is felt to be too long to permit operation from short fields with a large combat load for close air support. A typical 6,000-feet or greater take-off roll is longer than a great many short fields. To clear an obstacle at the end of the runway, additional field length would be required.

In addition it was found that a well improved runway was required because the bomb load and the spare centre tank necessary to provide enough gasoline to give it any range at all were so close to the ground that if there was not a completely smooth runway there was the danger of the bomb load and the spare tank being knocked off the aircraft in its attempt to take off.

In addition, Mr. Chairman, the range of the aircraft is very short, only 120 nautical miles. This does not give it sufficient range to carry out effectively the close support and strike role which the minister has been saying it is ideally adapted to perform. With regard to the simulator which had been ordered for this aircraft there is a rather peculiar situation. I believe one of my colleagues will deal with this matter in more detail However, just last Tuesday an article appeared in the Ottawa *Citizen* headed "Hellyer Denies He Ordered $50,000 Study Of Jet Plane". In this article Mr. John Walker dealt with an interview he had with the minister in which the minister said, "We never ordered the simulator". This reporter then interviewed the Minister of Industry who said, "Well, of course we would never have entered into a contract if it had not been ordered". So the minister is apparently in the position of not even knowing what was decided in this regard and then attempts to brush the matter aside by saying this plane is so good that you do not need a simulator for it.

Mr. Hellyer: That is right.

Mr. Harkness: Anyone with any experience in these matters knows that a simulator is absolutely essential to save money and time in training pilots, to save lives and to make any training program really effective and economic. This, of course, will be the only combat plane the R.C.A.F. has now or has had in the past for which there has not been a training simulator. The statement the minister now makes that it is not needed just does not stand up on the basis of all the experience in this regard. I think that undoubtedly the real reason the simulator is not being bought is that stated in an article which appeared in the *Globe and Mail*:

> But other sources said the cancellation was ordered soon after the U.S. Defence Department decided to purchase the U.S. . . . A-7 attack plane for the U.S. Air Force and not the American Northrop F-5 Freedom Fighter.

In other words, Mr. Chairman, with the Americans deciding not to order this plane there was not going to be sufficient sale and use for a simulator to justify what the cost would be for Canada alone, in the minister's opinion at least. One other aircraft on which I think we should receive more information is the Buffalo. It is a very good aircraft for its purpose but I think the costs given by the minister so far cover only the airframe. I should like to know the cost of the aircraft completely equipped because I think it is considerably more than we have been led to believe.

There has also been talk of the proposal, about which I have asked one or two questions in the house, to secure small, eight passenger French jets. I should like to know what R.C.A.F. requirements there are for these jets. There might be a requirement for two or at the most three, I believe, but the story given out that these are going to replace the present Cosmopolitans just does not stand up and does not make sense. The Cosmopolitan has a considerable carrying capacity with a side-door loading facility. It can carry 40 men. It therefore provides a considerable amount of transport capability to the R.C.A.F. These small planes which carry eight men would not meet that need in any way whatever.

As I say, Mr. Chairman, there might be a case for two or at the most three of these aircraft but in my opinion it would be very much better if we had at least two jet planes somewhat comparable to the Comets we had in the R.C.A.F. and which proved to be extremely useful indeed. I think this is one of the present deficiencies so far as the R.C.A.F. transport component is concerned, namely, the lack of jet aircraft with transport capability. The same amount of money spent on jet planes with a reasonable carrying capacity would be very much more justifiable and the money would be better spent than on any proposal for these small, French jets. I have a considerable number of other matters to raise, Mr. Chairman, but in view of the fact that I am already over my time I shall conclude at this point.

Mr. Winch: Mr. Chairman, I listened with a great deal of anticipation and interest to the statement made by the minister last night when he outlined matters and policies affecting the Department of National Defence. It is my own personal opinion that the minister in the preparation and delivery of his statement must have followed the advice of his political strategists and public relations officers to continue his policy of camouflaging the true

state of affairs in the Department of National Defence with a cloak of generalities.

Listening to the Minister of National Defence I could not help but be reminded of gifts under the tree at Christmas time. They are very beautifully wrapped, with nice colourful ribbons and bows, and on the package are the words" Do not open until Christmas". The only difference between those beautifully wrapped gifts marked in this way under a Christmas tree and the statement of the minister last night is that his beautifully wrapped package on national defence policy and affairs bears the label "Do not open at any time". We are expected to accept this beautiful package, this picture, this wrapping and are not to be given the real facts, the real circumstances, the real answers and the real explanations.

• (12:50 p.m.)

The minister and his staff must have worked very closely on his statement. There is a strange but in my opinion understandable relationship between the speech the minister made last night and a recent talk delivered by one of his assistants, perhaps his chief assistant, in Montreal. I do not know how many members of the House of Commons read the Montreal *Gazette*. I read it every morning. I hope that once those who do read it have read the editorial page they turn to the comic page. If they do they will occasionally find most interesting information. I did yesterday. On that page, three columns away from the comic strips about Mrs. Fitzs, Mary Worth, Little Lulu, Li'l Abner and Steve Roper, there was a report of a speech made in Montreal to the Westmount Rotary Club by one whom I presume speaks with authority, Mr. William Lee, special assistant to the Minister of National Defence. According to this report on the comic page, Mr. Lee outlined the work of a committee which studied all types of conflict Canada might face. The recommendations of this committee led to far reaching changes in the defence structure. Mr. Lee, the special assistant, is a man of knowledge and has a marvellous personality, I know. In the article I find these comments:

> It was unanimously agreed that the unlikeliest type of war Canada would face would be an all-out thermonuclear conflict. The possibility of such a holocaust seems remote since it would be useless to all nations. Also in the event it should come about, Canada would play a very minor role in the conflict.
>
> This led defence experts to think of Canada's role in small insurrection wars, with possible escalation to Korean war proportions.
>
> We realized that we needed a very mobile and diversified armed force. Integrating our forces seemed like a good answer.

[Mr. Winch.]

You know, that is quite a statement. Mr. Lee having made that statement in Montreal to the Rotary Club, we then heard the statement by the Minister of National Defence last evening. After comparing the statement by the special assistant with the statement of the Minister of National Defence, I can only come to the conclusion that the minister is trying to go in opposite directions at the same time. That is quite a feat if he can get away with it. In religious circles it is called hell-dodging. You go to a different church every week or every month in the hope you can enter heaven.

This is exactly what the Minister of National Defence is trying to put over in the House of Commons right now. As a matter of fact, he has been doing it very successfully in the past. The Minister of National Defence has been getting away with what I call an attitude of ebullient extrovertism and doing it very successfully. However, he cannot do that in this new parliament of Canada. We want the facts; we want explanations, not generalities. It is most interesting to read what Mr. Lee had to say and then read what the minister said last night in view of a question asked of the Prime Minister on orders of the day today about negotiating our way out of a nuclear role. I take it when that happens, as was promised in the house some three sessions ago, we will renegotiate our position in NATO.

What was the answer just an hour or so ago from the Prime Minister? Our position as a nuclear power, equipped with nuclear weapons, was being renegotiated, and he said that was referred to last night in the statement by the Minister of National Defence. The minister was kind enough when he started speaking to send over to our group a copy of his speech, which he read word for word. I should like to quote from his statement, page 1418 of *Hansard*, as follows:

> The introduction of the dual capability for our strike attack squadrons in Europe is continuing and will be complete later this year. At that time our six squadrons in Germany will be fully operational in the non-nuclear attack role as well as in the nuclear strike role.

What happened to that promise some three sessions ago to negotiate ourselves out of the nuclear role? What was the meaning of the Prime Minister's statement in the house today that negotiations were under way, according to the minister's statement? What the minister told us last night was that he was continuing to completion the nuclear operational

strike role for our squadrons in Europe and it would be completed this year. Talk about a two-faced Janus, talk about going in both directions at once. This is not only ebullient extrovertism but political effervescence. We, sir, have a right to know more than generalities. We have a right to know because it costs us at least a billion and a half dollars a year for national defence. What is the defence policy of Canada? We are entitled to know what has never yet been explained, why it is that Canada must spend hundreds of millions of dollars to make Canada a junkyard for obsolete United States equipment.

• (1:00 p.m.)

If we check back over the years, what do we find? We find that we buy that which has been declared obsolete by the United States, what is no longer used as equipment by United States forces. Spokesmen from the office of the minister and the minister himself have much to say; yet they never explain these facts. It is never explained why official spokesmen from the minister's staff and the minister himself righteously and piously say, "No nuclear war". He is calling on the taxpayers of Canada to put up hundreds of millions of dollars to acquire and maintain equipment in a war which, if he is honest in telling us what he is doing, will never come. I have said before both in this house and in the defence committee that in any outright war there is not going to be an attack by manned bombers.

We may be stupid, Mr. Chairman, in our defence policy, but anyone who is going to start a world war is not going to be stupid in his plans for such a war. The question of manned bombers coming across Canada is eyewash. The minister knows it is pure unadulterated eyewash. The next war, if it comes, will be fought with missiles. So what do we do? The United States, during the term of office not only of this minister but of the previous minister, declares that Bomarcs are obsolete, so we buy them. The United States Air Force declares Voodoos obsolete, so we throw out our chests and say we are going to give the R.C.A.F. modern equipment and we buy Voodoos.

Even if manned bombers came across Canada I imagine the pilots would know where our two Bomarc stations were. All they would have to do would be to fly 425 miles away from them in which event we could not touch them. I understand from an answer given by the minister the other day that it costs $3.5 million just to provide for personnel and the employment of dogs to protect our nuclear warhead installations for a type of war that will never take place. Surely, Mr. Chairman, the members of this House of Commons and the people of Canada are entitled to a more efficient and practical defence policy than that outlined by the minister. Surely the members of this House of Commons are entitled to something more than generalities. We are entitled to facts and to explanations.

When I speak of Canada being a high-priced junkyard for United States obsolescence I think not only of Voodoos and Bomarcs. I suggest that some questions must also be raised, as was done by the speaker before me, about the new Northrop F-5. It is not good enough for the minister to tell us what a wonderful aircraft it is and what a wonderful buy he is making. He is billing the Canadian taxpayers for $215 million. It is a new piece of equipment. Yet on January 24 of this year the President of the United States in his message to Congress said that the Northrop F-5 would not be on their schedule. He stated the U.S. air force would procure more McDonnell F-4's and the Ling-Tempco-Vought A-7's, the two aircraft which were rejected by the Minister of National Defence when he was considering the purchase of planes for Canada.

I am not going to take time by repeating much of what was said by the previous speaker but, Mr. Chairman, I always insist on being completely honest. Let it be noted that in a report concerning the testing of the Northrop plane in Viet Nam, written by C. M. Plattner who was in Viet Nam, he opened his statement by saying that the over-all performance of the Northrop F-5 light jet fighter met or surpassed certain expectations. However, as a result of the test he pointed out certain failures. One of these failures was the tendency of the guns to jam and difficulties with the bomb release mechanism were revealed early in the testing. The range is limited with even a moderate-sized bomb load. He goes on to say:

> The F-5A in standard configuration—ordnance plus a 150-gallon centreline tank and two 50-gallon wing tip tanks—has a range that is considerably less than that of other tactical jet aircraft in the theatre . . .
>
> Take-off roll is excessive—

The aircraft requires a 6,000 foot runway and I understand that this type of fighter should not require more than 4,000 feet. We are entitled to know, at a time when orders

are being placed, what kind of plane we are getting. It is an aircraft which is not now being bought by the United States and is one in which defects have occurred.

This reminds me, Mr. Chairman, very much of the time I had the privilege of being on an exercise with the Canadian Navy off Bermuda. Three destroyers were in line. There was a simulated attack by one aircraft and half of the guns of the three destroyers would not or could not fire.

Mr. Churchill: When was that, a year ago?

Mr. Winch: Just over a year ago. We are entitled to know whether this state of affairs has been corrected. If there had been more than one aircraft in that simulated attack all of our Canadian destroyers would have gone to the bottom because half of the guns could not or would not fire.

These are the sort of matters that the minister should be dealing with instead of generalities. We should like to help. But we cannot help when all we get from the minister and the government is camouflage, not facts, figures or explanations.

I notice that my time is running short but I do want to deal with one other matter which I know is of concern. I refer to morale. Morale is of the utmost importance. If there has been a lowering of morale among the Canadian armed forces in the last 18 months or two years, then I say, having spoken to personnel in the forces, that it is not because of the plan for integration. It is my belief that, although there may have been some questions arise from the original statement, today there is not only an acceptance but an endorsation of the policy of integration. If morale has fallen it is because the minister and his department do not back up their statements. Last night the minister said that our Canadian armed forces are a professional group, and that is why they are of such high quality and have such high standards. I agree 100 per cent with that.

• (1:10 p.m.)

I remember, sir, that when our defence committee was visiting armed forces bases in Europe we were guests at a U.S. base. At the official luncheon I sat between two top-brass United States officers and they told me how much they admired the Canadian men and how much better Canadian men were than their own. I asked them why they said that and they replied, "Because your men are professionals. They are not conscripted. They are not drafted. They are not waiting to get out in two or three years. It is their life and their profession. Therefore they have a different attitude and a different morale." I agree with that.

Does the minister follow through with the suggestion that these men are professionals, that service is a career and that they should be treated on that basis? The answer is no, Mr. Chairman. Last fall, when I as one of half a dozen attended a naval exercise off Bermuda, I drew as my lot the captain's suite on the *Bonaventure* as my place to stay. That was quite a week. However, I did not just stay in the captain's suite. I went through the entire ship. I can tell you that there is one hell of a difference between the captain's suite and the quarters of the other 1,000 men, many of whom work and sleep in a temperature of over 100 degrees. I understand that the *Bonaventure* is going in for a refit this year. I hope that we are doing something about the accommodation of the O.R.'s, the other ranks, because they are the backbone of every service.

I hope the minister is noting that they are professionals. We spend two, three or four years training technicians. Why do you not give them the remuneration they deserve as they progress and achieve experience? Any apprentice in the construction industry starts at 60 per cent of the journeyman's wage and gets an increase every year or every six months. Why not do that with the men of the armed forces?

On that trip some officers said to me, "We are not too badly treated but give some consideration to the men in the navy. Many are married. They have to leave home and, whether you like it or not, when the male member of the family is away other work and other expenses fall on the wife." They said to me, "Why not give these men an away from the shore allowance, because we travel the world? We are the ambassadors of Canada." The officers I spoke to said, "Are we to be allowed anything for being ambassadors of Canada? Unless we are cheapskates we have to return receptions and so on."

The answer is, "No, you are not allowed anything". Why do you not do something—

Mr. Hellyer: May I ask the hon. gentleman a question?

Mr. Winch: It takes years to train our technicians, but they only have to sign on for a period of service of three, four or five years. The minister will remember that I

raised with him in the defence committee 18 months ago the subject of having to pay thousands and thousands of dollars to train men. Why does he not give a bonus on re-enlistment? I spoke to him about that. However, what do we find in the minister's statement? That these matters are under advisement and consideration. That includes salaries and everything else. They are all under advisement and under consideration.

Mr. Churchill: They have a regular study group.

Mr. Winch: We need something better than having everything under advisement and consideration. It takes too much time. Last night was the time for the minister, when making his announcement as to what he was going to do to maintain morale and so on, to recognize that our armed forces personnel are professionals. It should be his policy to treat them as professionals and to keep them in the service. But no, we did not get that. Instead we got the usual platitudinous statement—"It is all under consideration and under advisement". We got double barreled statements going in two directions at the same time such as nuclear and non-nuclear and negotiating out and not negotiating out because we are proud to announce that we shall have completed our nuclear dual role at the end of this year in Europe. There was no answer at all as to the cost of obsolete weapons. There was no explanation why we spend $3,500,000 a year to maintain the warhead dumps for our Bomarcs, our Voodoos, and our rockets for the Honest John with the brigade in Europe.

I appreciate very much that no one has called me to order. I appreciate that others wish to speak, but I did want to outline defence policy broadly and make a few general remarks. May I say this that I regretted very much the way the minister concluded his remarks last night. His conclusion dealt with the defence committee. We appreciate his kind words but I am afraid I have a suspicious mind and I think my suspicions are correct.

The Deputy Chairman: Order, please. I regret to interrupt the hon. member but the time allotted for his speech has expired unless hon. member has unanimous consent to continue.

Some hon. Members: Continue.

The Deputy Chairman: Is it unanimously agreed that the hon. member may continue his speech?

Some hon. Members: Agreed.

Mr. Winch: I will not take more than a minute, and I appreciate the courtesy extended to me. I think I said I have a suspicious mind and I think my suspicions are correct. The defence committee of the House of Commons is now to meet as a standing committee. I think that the minister was giving us a great deal of soft soap in the anticipatory statement he made that when we meet as a committee for the third time we will be satisfied with generalities and the odd explanation and so on. I have had the opportunity of being a member of that committee since it was appointed and prior to that I was a member of the special committee appointed a few years ago to examine the accounts of the department. Mr. Chairman, through you to the minister I say that the defence committee is an all party committee. Having sat on it I know that it is prepared to be a non-political committee. I take pride in the fact that it has been a non-political committee. If the minister really means what he says about this committee, then he is going to have to change his strategy, philosophy and approach.

I do not think I have missed more than two or three meetings of that committee in two years. The minister does not ask the advice of the members of that committee. He does not take us into his confidence, explain his problems and seek advice. Nine times out of ten on that committee we are faced with a *fait accompli* from the minister and we are told what is being done. We are not asked for our advice as to what we think should be done.

• (1:20 p.m.)

Admittedly in the final analysis the responsibility must be that of the minister and the government. But let him show a little more decency toward the committee. Use a little more honesty when dealing with this committee. Do not present it with *faits accomplis*. Take the committee into your confidence and get the viewpoint of the members of the house who are members of the committee and who are interested in national defence, interested in defence policy, interested in seeing that we make our best contribution to world peace and that we get the best return for every cent of the Canadian dollars acquired by the department. I ask the minister sincerely and conscientiously to think this over. I am certain I am speaking for all members of the committee. Treat the members right and they will respond by treating you right.

Mr. Langlois (Mégantic): Mr. Chairman, I have had an opportunity to look over the speech the minister made last night and I must say that in the two years since he laid the White Paper on defence before this house a lot has been done in the department and a great many changes have been made. I know that at the time these proposals were announced there was a good deal of anxiety. Many people wondered how these measures would turn out. All in all, the minister seems to have handled the situation well. With regard to the integration of the armed forces in particular, I believe the hon. gentleman and his advisers should be congratulated. This was a touchy and difficult subject because the action to be taken required changes in the status quo and in the mentality in various sectors of the armed forces which had been built up over many years. I believe the minister handled this well bearing in mind the over-all state of morale in the armed forces. We must remember that these moves cut out a great deal of unnecessary expenditure of the texpayers' money.

A year ago I spoke on this subject when the minister's estimates were before us and I am glad to see that since then the minister has taken account of the importance of providing the Canadian armed forces with equipment which is reasonably convenient for their use. At that time we asked that our armed forces should be mobile, highly versatile and efficient so as to be able to cope with any local situation in which they might be called upon to act. I do not agree that we should always run all over the world to take part in operations of a military type whenever we are asked to do so and to send forces abroad with our eyes closed. Some criticism has been directed against the minister and the government because of the initiative shown in the past in this field. I am thinking, now, of Cyprus in particular. Sometimes, of course, these interventions are needed. But I hope the government will always act in such cases in the interests of Canada and not on the orders or say so of our neighbour to the south. I recognize that in this field they are an extremely powerful nation. We are just little dots beside them but we have a job to do and I think we can do it.

It is not my belief that we should try to compete with the other nations of the world in a nuclear race. We would be stupid if we were to try to win the race to the moon. We would be just as stupid if we tried to win the race for nuclear arms. When the hon. member for Vancouver East spoke of the Voodoos we had purchased I was inclined to agree with him. Practically 100 per cent of such purchases consisted of leftovers for which the United States could find no further use. What do we suppose we can do with obsolete equipment? If we do not possess the means to get the best equipment, then I think we have to follow another corridor, to pursue another goal.

We belong to NATO and to NORAD. I have been on NATO trips and have discussed these questions with members of the parliaments of other countries. I think the minister was with us one year. There was one Canadian parliamentarian who got up and told the members of one of the committees to stop looking back and arguing as they had been doing. They had been arguing for eight years about the same point. They were still doing it and nothing had been accomplished. They always kept saying: we do not have all the money we need; contributions are not enough to realize our plans.

• (1:30 p.m.)

I know this. But let us be careful not to follow in the footsteps of Turkey, for example. In Turkey one can walk through the ménages militaires—armories, we call them—and see the history of Turkey written on the walls. Account is taken of all the wars they have had for a thousand years. They are proud of that. A visitor can go through these armouries and find the history of Turkey there. I believe that ever since that country has been a nation they have been fighting. But today they are poor as church mice. If that country had spent 10 per cent of its national defence budget on fighting poverty in their country they would today have a country which would attract tourists from all over the world. That is one side of the story. When they have nobody to fight they fight among themselves. It is all right to be able to defend oneself. That is a moral obligation of the government, but it is also its moral obligation not to go beyond its means and the means of the Canadian people. We have other ways in which we can help maintain peace in the world. The greatest example of this was when Pope Paul VI went to the United Nations not so long ago. We have a defence minister by the name of Paul. If he would just follow the other Paul's footsteps sometimes at least, I think I would agree with him.

The thing is that we do not have in this country the means and the money to build up our forces' equipment as is done by our neighbour to the south, by England, by the

Soviet Union, or by France for that matter. But we have other means France has not got, that England has not got and that the U.S.A. possibly has not got. We can produce in this country goods for any nation in the world.

Today we are trying to fight communist ideas with nuclear arms. We are taking nuclear positions and adopting every kind of defence we can imagine to prevent the Soviet Union from invading democratic countries. Let me tell you, Mr. Chairman, and through you the minister, that you will not defeat communism with arms, with bombs or with any kind of nuclear warfare. You will not and you know it, sir.

Today Latin America is in a very shaky situation. Give it another ten years and the fighting will not be in Viet Nam; it will be in Latin America. Thousands of people are dying from starvation there every day, but what do we do about it? We buy Voodoos and we buy Bomarcs. If the Canadian government and the Canadian people would help these underdeveloped nations, there would be much less chance of communist infiltration in these countries and we would not have to be so afraid and be on the defence so much. Possibly if we had helped Viet Nam when there was yet time to help it we would not be facing the situation we are facing today. We can help other countries by first giving their people something to eat. By that means we will help their morale.

The two great ideas that prevail in the world today are the democratic way of life and what we call the eastern block or communist way of life. It is up to us to prove that the democratic way is better but not by means of warfare or nuclear arms. We should not try to defend it after it is too late, but rather by proving beforehand that we can do something with it. One of the things we can do is not to let other nations starve.

We sit at home in the midst of our own wealth and say that everything is all right, but we forget that our neighbours do not enjoy the same kind of comforts that we do. Now is the time to help them. There is an old saying that an ounce of prevention is worth a pound of cure, which applies in this situation as much as anywhere else.

It is O.K. for Canada to have a defence role. We need national defence. We need forces with conventional arms, the best that can be got because we do not have the means to acquire other kinds. With these we can face local situations and on occasion help outside our own boundaries, but we should not try to compete in the world race for nuclear arms.

In 1962 and 1963 members of the government made certain statements concerning nuclear arms, but if you compare those statements with their stand today you will see that what they said more than three years ago was not quite the truth. At that time it was done to win an election. Today it is done to satisfy Washington. That is the difference. They change their story according to whom they are addressing. When you want votes you work for votes. When you want protection you have to work for protection.

The hon. member who spoke before me was right in saying that the government should give more information and should listen to recommendations. We do not just criticize the minister. He is not alone in this regard. He is responsible for the department but he is not responsible for all the government's policies.

I know the stand which members of the Liberal party took in 1962 when they were on this side of the house. I know the criticisms they made. Oh boy, sometimes it was not pretty, but what surprised me was that when they went across to the other side of the chamber they did exactly the opposite. That surprised the Canadian people also. That, Mr. Chairman, is done. There is nothing much we can do about it but we can try to prevent similar situations and further dealings of that sort.

I will be a proud man in this chamber the day we stop taking direct orders from Washington. I do not mind our receiving advice from Washington but I would appreciate the house being told about it. We say this house is the supreme institution in Canada. That may be true in theory but in practice I wonder whether it is so. So long as we have the government across the way with the attitude it has, especially with respect to national defence, you will not make me believe that we make the decisions in this house.

I would not be surprised if there were a direct telephone line between the two defence departments in Ottawa and Washington. It would be cheaper that way because they are always communicating. Regardless of what the United States may do they want us to defend their actions. Right now they have put their foot in the soup and have burned it. Let

them take it out themselves. We have something else to do. I have suggested to the minister that we have a job to do in other underdeveloped countries. The only way we can maintain peace is to try to work for peace. The only way you will ever keep a man out of a boxing ring is by not training him to box. If you keep on training him to be a boxer he will end up getting into the ring.

• (1:40 p.m.)

Let us have conventional arms and armed forces with great mobility and efficiency to be used to help in case of floods, conflagrations and other kinds of emergencies. In addition, let us do what we can to help underdeveloped countries instead of waiting for two or three years until a crisis occurs and then helping to defend them. Who will help to defend them in that event? It will be the Canadian youngsters of today. The minister said in his statement last night that the officers of world war II are now leaving the armed forces because they have put in their service and completed their jobs. We have to replace them and who is going to replace them? I say again that these people will be replaced by the young men of Canada. At this time many youngsters join the armed forces of their own choice. Let them be trained as professionals because that is their wish.

I think it is also our job at this time to help the underdeveloped countries that need food, clothing, medicine and doctors. Surely we are able to give them these things and surely we should give them these things to the best of our means. Countries like France are not able to contribute nearly as much because they have to buy a great deal of their foodstuffs elsewhere. By following this course I think we would be taking a great step toward maintaining peace in the world. This would certainly be a more beneficial policy than the policy we are now following of buying Voodoos, Bomarcs and the like in an effort to compete with other nations of the world in the arms race now taking place. We cannot compete with other countries so far as nuclear arms are concerned. We have not got the means. We do have the means, perhaps more than any other nation, to help the underdeveloped countries which are sliding toward the communist bloc. That is how communism gains ground in these countries. The people are hungry, they have empty stomachs and they suffer great misery. The communists move in and feed them and then we have to go in to defend them. Let us get out of our lethargic state, our dormant state.

[Mr. Langlois (Mégantic).]

Let us shake the sand out of our eyes and assist these countries in a proper manner.

I am glad that the government has finally decided after 25 years to declare war on poverty in Canada. Let us now take the same attitude and declare war on poverty in other countries which need such a program even more than we do. I think we would make better friends and better alliances if we would assist these countries which do not know where to turn for assistance. Surely we could make better friends in this way than by trying to defend them with our peashooters when a conflict occurs. That is about all we can do when the situation has reached that stage.

I am sure that if the government and the minister took the kind of stand I suggest they would have the support of every citizen in Canada. If they continue the policies started two or three years ago they will not obtain the support of a great many people of this nation, and they can be sure of that.

I want to refer to the policies followed by the government regarding changes in equipment. They come here and ask for large sums of money for, as they say, minor changes in existing equipment. I have found out that many of these so-called changes costing millions of dollars have in effect been replacements by new kinds of equipment rather than modifications of existing equipment. As an example, they will purchase a completely new type of aircraft use the same letters for it as were used on the old type with the addition of perhaps one extra letter. They have done this to camouflage the use of these large sums of money. I do not like that type of policy because it is dishonest. If they intend to purchase new equipment, why do they not say so rather than say they are making modifications? I think the minister and the government should take this suggestion into consideration. I hope in future he will come into the house and say that they have purchased new equipment instead of saying they need money for changes.

In concluding, Mr. Chairman, I should like to urge the minister and his colleagues again to move quickly to help the underdeveloped countries in the world to the greatest extent our means will allow before we are called upon to defend them, as has been the case in the past. I think that by the policy I have suggested we can maintain to a greater extent the peace of the world.

Mr. Thompson: Mr. Chairman, in speaking during this debate on the estimates for the

current year in relation to defence I realize that we are speaking about money that for the most part is already spent. We are looking forward to next year's estimates which we hope will be before the house before too long. At that time we will be dealing with the expenditures for the 1966-67 fiscal year. In view of that I will attempt to keep my remarks as short and to the point as possible.

I do not speak in this debate with any claim of being an authority on defence but I do speak as a citizen who is interested in the value we are getting for $1½ billion in expenditures of tax money and whether or not we in Canada are fulfilling our role in relation to defence responsibilities. After all, $1½ billion is a lot of money. If that amount were used in other areas for the development of our own economy or for our war on poverty, it could make a tremendous impact on the nation. I trust that the Minister of National Defence and his department are careful in their consideration and determination of Canada's role in relation to defence and military expenditures.

What are we attempting to do as a nation in this particular area and what is it that we are actually hoping to do? Is our defence policy completely integrated with our external affairs policy? Are these two policies working together in co-ordination toward the same objective and are they in line with our trade policy? Unless they are I believe we stand in constant danger of not fulfilling the objectives of our role and actually wasting money that could be better used in other ways.

I should like to impress upon the minister and his department that attention must be paid to our own responsibilities when determining our objectives. We must accomplish something practical in relation not only to our own responsibilities but the responsibilities of our neighbours in the area of defence.

• (1:50 p.m.)

Canada stands in a very peculiar position in this regard. No other country stands in quite the same position. This is because we occupy the northern part of a continent, and by reason of our tremendous barren areas in the north and our vast coast line it is impossible for us to institute a defence program that would adequately protect the country in the event of attack from outside. Because of our geographical position it is inevitable and reasonable that we integrate our defence pattern with that of the United States as it relates to this continent. I am speaking strictly in terms of defence.

This does not mean, nor should it mean, that we just have to follow along and dot the "i's" and cross the "t's" of the handwriting that American defence policy may lay out before us. But certainly we should not be so foolish as to think we can on our own maintain any responsible and effective national defence program without it being thoroughly integrated with that of the United States.

In this regard, Mr. Chairman, I think it is reasonable to assume that we could completely discard our whole defence program knowing that the United States would defend our shores more quickly perhaps than they would their own simply because of our geographical position. All this must therefore be part of the outworking of any defence policy that we have.

I think the minister and his department must be commended for what they have done toward the integration of our forces. I travel outside this country occasionally and meet people who are involved in the defence programs of other countries. I think these people look to Canada with a certain amount of envy and respect for carrying into effect what they have fought and talked about for years now. I believe there is no doubt at all that the progress achieved toward the integrating of our forces, particularly as this policy applies to smaller nations, is a pattern that will be copied by many of these countries. Therefore I believe a great deal of credit is due to the minister and those who work with him for bringing about this integration.

I think the minister and his officials have won phase one in the program of the integration of our forces. They have now taken the lead that makes completion of integration inevitable; it is part of an accepted pattern. On the other hand, I am concerned that they do not lose out on phase two, the actual implementation of those policies which have now been accepted and laid out as being the pattern for integration. Phase two of this program should make integration an actual and practical reality.

In my opinion the command organization that has been laid out on paper and the fact that we are now into the period where this is actually being carried out are important to he defence program. I have heard reports from service personnel and have also observed what is happening to their morale. When you see the confusion that exists at the

present time with regard to the allocation of certain defence programs and bases within the various command structures of the new defence organization, one realizes the minister could well lose that which he has gained unless the department is efficient and effective in implementing these policies within the new organization and do it quickly.

I am particularly concerned with this program as it relates to the new designation of various military bases in the country and the various aspects of the command structure into which they will fit. I can cite no better example than the heretofore air force base adjacent to my own home city. Here we have one of the better equipped and developed post-war air bases in the country and for a full two years now, because of the lack of a specific policy in the use of this base, nothing very much has been done about determining its role.

A waste of tax dollars is involved here because it is an accepted fact that this base is going to be part of the new training command and civilian and basic maintenance personnel are being retained. But unless the base is being used for a definite role it is a waste of money. I agree that time is a prerequisite in determining just how this or other bases will fit into the program. Nevertheless I believe there is need for urgent action in this respect. We understand that training command, for example, assumed authority only at the first of this year, which is only a few weeks ago, but I believe the Canadian people and the personnel of the armed forces are expecting action in this regard and quickly.

Action is expected not only in respect of the specific commands within the new organization but the correlation and integration of these commands as they make use of the various bases necessary for any defence organization in the country. I noted the remarks of the minister with regard to the Canadian Services College and correlating the various aspects of training into one program. This is necessary and it is good that it is taking place. But it is just one small area of many with regard to which similar quick action will have to be taken.

Another point about which I am concerned in the over-all picture relates to the strength of our armed forces and the recruiting programs being carried out. It has to do with the need for urgency in the development of phase two of the program of integration, because as the morale of our forces has suffered under the integration program and its prospective application to them there has been a falling off of personnel and recruiting. So much in fact is this so that just one year ago when we were debating the estimates we were talking about pilots in the air force who were being laid off prior to their normal retirement time because they were not necessary.

The position today is that we do not have enough pilots in the air force. We are short of pilots as we are short of technical people and personnel for many other areas within the armed forces. This all points up the need for quick action in the implementation of what I have called, for want of a better name, phase two of the program of integration.

There are one or two points I should like to raise with regard to peace keeping. This question also refers back to policy. Where are we going, what are we trying to do, how long are we going to be carrying on our peace keeping responsibilities in Cyprus and is this expense really justified? It is a heavy expense because Canada is paying her own way in setting a good example to the world. But are we effective in what we are doing or just drifting into a passive situation in which the United Nations and others responsible for the political side are letting the matter drift because Canada and a few other nations are willing to come along and do more than their share in maintaining a peace keeping operation?

Here again, I think, is an area where external affairs and defence must have the very closest correlation so far as policy is concerned. I have mentioned Cyprus. What about the 1,000 personnel we have for years contributed to the United Nations emergency force in the Middle East? We hear reports that our troops over there lack a sense of purpose, that things are stagnating, that they really feel they are not making any worthwhile contribution. Is this just because on the political side matters are being allowed to drift without there being any real effort to reach a solution and bring an end to this particular situation?

We are spending a great deal of money in this area and Canada is willing to spend money if it helps to maintain world peace. Most of us in this house are willing to support such programs, but I think we should be very careful not to be caught in a trap whereby we are doing something that really is not necessary and which we never intended to do in the first place. We need direction in this regard and we need it urgently.

• (2:00 p.m.)

I should like to refer also to the Zambian oil lift. We were good fellows and immediately sent some of our Hercules aircraft to help transport oil to Zambia. How long is this airlift going to continue? Is it effective? Are the reports that Zambia is allowing oil supplies to go into Rhodesia true? Are we just wasting the taxpayers' money without really accomplishing anything? This is the political side of questions which relate to defence policy and the defence budget. We are concerned that there should be some useful purpose for these programs.

I think mention should be made at this point of our training program for some nations in Africa, specifically Ghana and Tanzania, with relation to the current year's budget. Here is an area where our defence policy again combines with external affairs policy and we can make a tremendous contribution. I have seen personally what some of our men are doing out there and it causes one to be proud of the way Canadians fit into such a picture, create good will and make a fine contribution. I feel that this boosts morale. I think we should have a similar pattern of purpose and definition of objectives with regard to other areas of our defence program. Then we could give up just flailing our arms in the wind and accomplishing nothing worth while.

What about the whole NATO program? Has Europe today reached the point where the military objectives of NATO are antiquated? Is it not reasonable to assume that with the European countries having progressed politically and economically as they have and with the new pattern of defence programs as well as the increasing mobility of defence forces it is no longer necessary to spend millions of dollars in order to keep forces in Europe? I am not suggesting for one moment that we should shirk our responsibility to NATO. Here again, there is the possibility we are just drifting along and spending money without really accomplishing anything and at the same time wasting tax dollars.

I think we all agree that the new role of NATO relates more to the economic side than it does to defence. Could not some of our forces be brought home? Could they not fulfil any obligation in the event of a crisis in Europe from this side of the Atlantic as well as they could from that side? I should like to hear more about this. The minister really has not said anything about it. This is one of the major parts of our over-all defence expenditure and I think we should hear more about it.

I believe that one of the weak spots of the defence department is its lack of public relations. They never inform members of this house or the public about what is happening. For example, there is the case of the F-5 fighter which is apparently being adopted by the defence department. According to news stories across the country this fighter has been rejected by the United States. The general public opinion, as near as I can determine, is that the purchase of this plane is a waste of money. If the department were more concerned about issuing constructive information concerning this plane, perhaps there would be a different opinion.

When I was going through some newspaper clippings I was amazed to find that nine allied air forces have purchased the same airplane. If they have done this there may be some advantage to it about which the public and the defence committee are not aware. According to one of these reports which appeared in December of last year, nine allied air forces have ordered some 700 F-5's. This is the same plane that we know as the CF-5. These countries are Canada, China, Greece, Iran, Korea, Norway, the Philippines, Spain and Turkey. This is the kind of information I think we should have and it is the responsibility of the defence department to see that we get it. Certainly the public have to have such information if the defence department expects the taxpayer to make his contribution to defence expenditures willingly.

These criticisms do not apply only to aircraft. We have heard criticisms in the house about the Bomarc missile. We cannot blame the present government for the fact that Bomarcs are in Canada. This was part of the defence policy crisis three years ago. Is it true that United States defence forces have discarded the Bomarc? Are they phasing it out and using it temporarily until something else takes its place? I should like an answer from the minister. If the Bomarc has no worth then it should be discarded. If it has we should be given this kind of information because it is the kind of information the country needs. I suggest the minister make sure this is done. After all, the original purpose of the defence committee was to secure such information. I am sure many of us here recall vividly the situation three years ago so far as defence policy was concerned. We did not know what defence policy

was. We had no idea and neither did the public, any more than the government did at that time, actually what our purposes and objectives were. After the election the Minister of National Defence wisely picked up the challenge, and I do not think I am amiss in saying that the recommendation for a Defence Committee first came from the members of this party.

As I say, after the election the suggestion was implemented and a Defence Committee established. This committee gave members a background of reliable, authentic information for their guidance as well as the advice of specialists who devote their time and energy to this field. It is not enough for the members of such a committee to go on occasional trips and then think about what would be a good defence policy. We want to carry on with a non-partisan attitude toward defence. That is what I think we in Canada should have. We are not a big enough country to waste our energies and our dollars pursuing some objective about which we may not know anything and which may not have any useful purpose.

There are many aspects of the defence picture which we should discuss at this time. However, we want to get on with the estimates as quickly as possible. I leave these suggestions with the minister and hope that before we reach a discussion of his next year's estimates he will endeavour to clear up some of these points which I believe are not just being raised by the members of this house but by the people of Canada. We would like to have some information.

Mr. McCleave: Mr. Chairman, I do not suppose there is any riding in the whole of Canada to which the military program is of more signifiance than it is to the riding I share with my colleague and particularly to the cities of Halifax and Dartmouth. This is so for two reasons. One is entirely economic since a large proportion of our citizens are members of the armed forces and the second is a military consideration. The area still bears the scars of its contributions to two world wars. We of the Halifax area, I may say frankly, are concerned about the policies of the present government and the policies of the Department of National Defence.

We listened to the minister last night exuding a great deal of self-satisfaction. One could almost hear him say, this is the best of all possible worlds and that he, as Minister of National Defence, had provided the best of all possible policies to look after this best of all possible worlds.

[Mr. Thompson.]

• (2:10 p.m.)

This recalls, Mr. Chairman, the famous remarks of the philosopher Pangloss in Voltaire's "Candide", who always looked upon everything with a very sunny disposition. This philosopher went forth in the world and at one point he had an ear hacked off in an encounter and in another place he had an eye poked out. Though saying that this was the best of all possible worlds these lamentable things happened to him. His teeth were lost in yet another encounter and an arm hewed off as well. Still he insisted that this was the best of all possible worlds. Finally I believe half of his rump was hacked off in yet another war and at that point he felt inclined to change his tune and retreat to his garden. I can only say, in comparing the Minister of National Defence with this philosopher, that the Minister of National Defence has more physical staying power than that philosopher and will still insist that this is the best of all possible worlds.

Yet, sir, the former minister of national defence, in a remarkably fine contribution last night, shot down this contention very quickly. He pointed out that there was a total loss of manpower of some 7,200 per year and an attrition rate of 600 personnel per month in the armed forces. He also pointed out that part of the antisubmarine might of the Canadian navy was made ineffective because ships were tied up at Halifax, Dartmouth and Esquimalt. This I can certainly vouch for.

The minister says that the effectiveness of the navy has been increased. If this is so, then under his policies he should put more ships in a mothball state. I presume that if the number able to fight effectively were cut in half, then by some curious mathematical process which the minister uses this would thereby double the effectiveness of the Royal Canadian Navy.

This obviously cannot be so and it is a matter of concern to the officers and men of the Royal Canadian Navy. It is also, I imagine, a matter of concern to the minister himself because he is faced with the herculean task of bringing manpower up to the proper level.

I am critical of the minister for what he has allowed to take place. I think I and every other hon. member in the house would want to do what we can to help him overcome the results of his own follies. We should like to see the navy brought up to proper manpower strength and those mothballed ships back in action.

How can we improve conditions? I suggest several approaches to the minister. I know that a pay increase is one of the methods of making service life more palatable and I think this is important. From talking to naval personnel I know they contrast their pay envelopes with those on "civvy" street and I think this accounts, especially in this inflationary age, for the reason that many people are leaving the navy. I believe 13,412 have retired at early stages from the services at their own request. This is not only a remarkable figure but a very frightening one as well. Jobs with more attractive pay are one method to tackle the problem of bringing personnel back to strength.

There are other methods as well. As the hon. member for Calgary North pointed out very ably last night, the minister talked of computers and of cost effectiveness. He has brought all the techniques of modern and efficient office management to his department or so he says. But he is leaving out the human factor, the attitude of men and women, the matter of morale and confidence in the leadership given.

I think the minister would go a long way toward solving his problem if somehow he could convince the officers and men in the services that he, his government and the department had an idea of just what they were going to do in the field of national defence. I think a war of ideas would be a much more profitable war for the minister to win than simply a war using more money.

Another suggestion I would make is that the minister and his department give some incentive to service people in the field of housing. We have in the Halifax-Dartmouth area several large housing schemes for the navy. Apartments have also been built by private entrepreneurs and are filled almost entirely with naval personnel. I suggest this gives service personnel no particular advantage except whatever advantage they may derive from living among their own kind. At the end of their stay in these places they have collected a massive pile of landlord's receipts but they have gained nothing more than shelter and accommodation.

What I think would be a useful idea for the department to explore, and I hope the minister and his associate will explore it, is to give some incentive to service people to own their own homes by giving them a certain sum as a down payment either initially or at the end of a definite period of living in these houses. In this event the net result would be that after 15, 20 or 25 years of service the serviceman or woman would own the home and if he or she intended to move to some other place to retire that home could be sold at a profit.

I suggest that this would provide a method of savings for service people which would amount to say $15,000 to $25,000, thus providing a substantial sum indeed when these people retire. I have mentioned this idea before and I hope the minister and his department will study it, perhaps in consultation with Central Mortgage and Housing Corporation. I think it has advantages. It would give service people more of a stake in the communities in which they serve.

Two years ago I had the advantage of going to Camp Gagetown in New Brunswick where for the first time the special services battalion was engaged in an exercise. I should like to deal with this point in making some remarks on integration because I think the minister is half right and also half wrong in his approach to this matter.

As I say, I had the advantage with other newsmen of going into the field with the special services battalion made up of elements of ordnance, engineering, R.E.M.E. and the like when they were engaged upon a special operation. I thought they were very pleased to have this form of integration of the supporting services.

Therefore I think I can agree with the minister's concept of integration up to that point in that the supporting services can indeed be usefully integrated into one. It did not seem to me that the dental corps or the engineers—as we know, the engineers are a very proud race, almost a race apart—felt that they had suffered a loss of tradition by being so combined.

• (2:20 p.m.)

When it comes to what might be called the fighting arm of the services I think different considerations have to apply. I know opinion on this is somewhat one-sided one way or the other. The older people in the services, I think, rely very much on the traditions of the ships to which they have been posted or their squadrons or regiments. For younger men this may not necessarily be so. A very senior officer has told me that he would hate to be around on the day that the men of the Black Watch were told to give up their kilts because he knew that whoever gave such an order would be murdered. I suggest to the minister that in his consideration of integration and the provision of common ranks,

common units and the like, that he concentrate on the supporting services first until he can be sure that they have reached the efficiency he desires before moving into the field of the fighting services.

In dealing with the problem of proper working conditions and the morale of the armed forces I should not like to omit the civilian prevailing rate and civil service employees. In the Halifax area we have a large number of prevailing rate employees who for some years have been restive about the methods under which they have been paid. I would suggest to the Associate Minister of National Defence, since I believe this is largely his field, that he give considerable thought to the form of collective bargaining which I understand will be introduced some time later this session. I see that the Associate Minister assents so I take it that we shall tackle this later.

May I suggest to the Associate Minister that it be a bona fide, collective bargaining procedure in which considerable authority is given to those who bargain for the government, the people who sit across the table, to deal honestly and effectively with the demands presented to them. This should be done instead of having them appear at collective bargaining procedures in which they are simply messengers sent in this case by the Department of National Defence or in other cases by other government departments. If this assurance can be given when collective bargaining arrangements are brought in, I think that the Minister of National Defence and the Associate Minister of National Defence will have done a real service to the prevailing rate employees not only in the Halifax area but in other areas as well. The ministers are undoubtedly aware that from time to time protests have arisen about this matter and that it has been hard to satisfy employees that they are getting their just desserts.

Finally, sir, I should like to make the point that the people of my area, and I imagine people in other areas of Canada, are very concerned about the removal of the mine sweeping squadron. To us that is an almost incomprehensible act. We do know that the Russian navy has submarines capable of laying mines. One need only to look at the globe to see that off the western coast of Norway lie sea lanes forming a gigantic arrow pointed at the east coast of Canada down which submarines can come. Yet the mine sweeping squadron has been consigned to oblivion. I do hope that the minister will make an explanation to the house later in the debate. As I understand it, this measure has been brought about strictly with a view to economy.

I suggest, Mr. Chairman, that if the worst should happen, and I presume the minister must prepare his policies assuming that the worst will happen, Halifax harbour, ports on the St. Lawrence River and all other major ports on the east and west coast will be out of action in the next world war in the first couple of hours. Our naval strength will also be out of action because if the navy cannot venture out of harbours on account of mines ships will be bottled up inside the harbours. My understanding has always been that our role in NATO is an antisubmarine role. I would think that the minister could perform a useful service if he could assure us that the mine problem is going to be met in some way. I do not think that he can give that assurance because naval officers I have talked to are completely baffled why this particular policy was adopted.

I suggest to the minister that he read Samuel Eliot Morison's history of the United States. He was an old sea dog, philosopher and historian, and he did say certain things which are true. Admiral Morison makes a very strong point, that to be a good maritime nation you have to act as a maritime nation. I suggest that by adopting a policy directed away from having a strong and effective Canadian navy Canada is forfeiting much of its right to be considered one of the world's leading maritime nations. I am afraid, sir, that the minister has adopted policies which one could consider to be of a landlubber variety.

Mr. Forrestall: Mr. Chairman, I have only a few remarks in extension of those by the senior member for Halifax. As the junior member I defer in most cases to his wisdom. The question of the housing of service personnel raised a moment ago by my colleague is indeed a very important one. Very pressing sociological patterns are developing not only in our area where we have a large number of service people and their families living in housing supplied by various departments of government but also right across Canada. Many of these problems have apparent and obvious reasons. Families are growing up and

the question of compatibility with other service families around them must be considered. It is true that naval wives whose husbands are at sea are provided with certain comforts but they have common problems. I think, however, that far graver problems arise with the younger generation at the school level as they progress toward maturity.

We have evidence that it takes a full academic year for the children of service families to adjust properly when they reach the secondary level if they should ever leave the service community and service schools. I hasten to suggest that this is not because of the level of teaching or the qualities of the teachers or the services provided by the government. I think it is simply the effect of the social upbringing of the children which makes it very difficult for them to adjust properly because they have not had the advantage of growing up next door to a doctor's son or daughter or going to school with a mechanic's child.

• (2:30 p.m.)

Instead the pattern of the family unit is constant. The child has the same companions, the same day to day friends.

In this context I would urge the minister to consider not only a method of providing equity ownership in homes which fall in the category of service housing but to carry the thought further and give consideration to the possibility of spreading such housing at random throughout urban centres. What has been done in Halifax is a prime example of what I think might be avoided. Remember we have well over 100 suburban developments which could easily accommodate ten or fifteen units, either single or multiple dwellings. This would at once achieve two basic needs. First, it would remove service men and their families from what has been described as ghetto-type living and enable their children to grow up in a community where they can go to school and enjoy the benefits of living in the free run of society as most of us understand it and enjoy it.

The second purpose is to achieve the aim put forward by the hon. member of providing an easy and practical method of permitting the building up of equity ownership in these properties. Service people would pay a portion of their rent to help the government pass along to successive tenants the continued responsibility for a portion of the upkeep and maintenance of these properties. This is not impossible, I suggest. Indeed, it is a matter of current discussion among naval, air force and army people in the Halifax area.

My hon. friend spoke also of the removal of the minesweeping squadron from the concept of defence as we know it today. This is a matter of grave concern to those who are aware of the capabilities of other countries to lay minefields under water. These advances have left major questions in the minds of some of our senior people in the Halifax area. They are thinking aloud about this matter. Perhaps they do not have the opportunities of putting forward their thinking which are available to us in the House of Commons so I would re-emphasize what my hon. friend said on this question.

There is a third matter on which I wish to speak. I have raised it in another context and I do so again. It involves the utilization of certain military air bases by private aircraft operators and regional air carriers. The suggestion has been made in the house that the removal of Greenwood as an alternative landing site for Air Canada planes has created many difficulties. I know this to be the case. I have experienced them more than once myself. I have made the grand trip around the circuit and wound up back here in Ottawa. On another occasion I wound up in Newfoundland. I am not suggesting that private operators be allowed to use the facilities at military bases such as Chatham which are vital centres for our air defence and our support role in any defence of this continent. But I would suggest that airports such as Greenwood, Shearwater and others outside the maritime area are completely capable of accepting arrivals and departures of non-military aircraft without upsetting the routine or the readiness of the station, as I think the term is.

The efficiency of these stations would not be impaired by the occasional use of these bases without the formality of prior notification and permission. When a private flier lands at Greenwood because of a snowstorm or some other difficulty he is put in an embarrassing position by having to explain his presence though in all likelihood it has been caused by circumstances which prevented his going anywhere else to find a suitable and safe landing. I also think private fliers should be allowed to use certain landing and navigational aids which are the sole property of the Department of National Defence. On many occasions the possibility of using these navigational aids would be of advantage to operators of private aircraft and to small

commercial regional operators. These privileges have been denied up to now except in special cases where prior permission has been sought and obtained.

There is one further matter which is of immediate concern because of disturbing rumours which have come to my attention. I have discounted these rumours on the basis of their not having been confirmed and I will not refer to them in this context. Instead, I would urge the minister to give consideration in the preparation of specifications for new naval vessels, as well as when repairs are being carried out, to the inclusion in those specifications of plans for an adequate air conditioning system. I have spent some time in southern waters in South American countries and I know a little of the discomfort of being in the engine room of a ship without adequate ventilation. The anxieties which manifest themselves among men forced to work constantly in conditions of extreme heat are real only to those who have experienced them. They have been the subject of medical inquiry as an oddity or phenomenon encountered among people exposed to living conditions of this type.

The urgency of this need is borne out by the complaints of many lower deck personnel on their return from southern cruises. As much as they enjoy an opportunity to go south at this time of the year, as I am sure we all would, it is not a holiday and for those who must live and work below deck most of the day it is more of a nightmare. I would again urge the associate minister and those in his department to give serious consideration to the problem of ventilation if they have not done so already.

• (2:40 p.m.)

It would be very easy to go on and get into the question of morale in the armed services which has been touched upon by other hon. members. There is little need to pursue it further except to comment generally that sometimes we complain too loudly about low morale in the services. Stemming from that, I would simply note that it is not low morale that is causing the problem in recruitment. The lack of equipment and the lack of trained personnel to man the ships we have in Halifax harbour, not taking into account the one or two out on the west coast, have already been made clear. To that plea I would simply lend the voice of the junior member for Halifax.

Morale in the navy and the other services, is not low nor is it high. Morale is somewhat confused. In spite of continuing explanations the men remain somewhat in the dark as to their own personal positions in what we used to understand were the navy and the army. They are not certain of their tenure of service. They are not certain whether a career in the armed forces is a worth-while venture. They are doubtful about promotions. The question of seniority has disappeared almost completely in the lower ranks.

[Mr. Forrestall.]

These are the things that lend support to the argument that morale in the services is low. I do not believe it is low. I believe it is just confused. Many of these people went into the service with the hope of making it their career but now they are confused and uncertain whether they have chosen well. They would like to stay on and take advantage of the training they have. They would like to continue to make the contributions they are capable of making as skilled craftsmen. But they need direction at their immediate command level. They need clarification of promotions, of continuity of service and the possibilities of promotion.

Finally, many of our problems with regard to morale stem from the fact that most people in Canada—I am sure the department is equally as guilty—think of trained servicemen as no more than a fighting arm extension of the political process. I suggest to the minister that this is 1966. A pilot flying an aircraft off the *Bonaventure* is not a trained fighting man and God forbid that he ever becomes one. Quite to the contrary, he is a highly skilled, well trained individual. He merits respect and the treatment that is accorded those outside the military who have achieved equal skills.

When we talk about increasing such a man's level of income we tend to think that perhaps he should get another $1,000 a year or another $1,500 a year and that this would compensate him. There are a certain number of ex-military people employed in the company with which I was once closely associated and I know they can earn in the public field of endeavour not $1,000 a year more, not $1,500 a year or $2,000 a year more but in many cases $8,000 to $15,000 a year more. We must stop thinking of these people as soldiers. They are not. They are skilled, well trained people. In most cases on the upper decks they are college graduates who when they go home in the afternoon or evening take trade journals and trade publications with them. They do not take home war manuals. They take with them those sources of information that are going to enhance and increase their

understanding, knowledge and skill in their respective jobs, whether they be in electronics, aviation or captains of these ships. No matter what it is they do as most businessmen do. They spend their time keeping themselves abreast and acquainted with what is going on in their business.

With these remarks I think Halifax has now said what it can until such time as we reach the 1966-67 estimates. In most cases the money has pretty well been spent under the estimates we are discussing. I leave the minister with these three or four thoughts respecting service housing, pay, and the utilization of militairy airports by private and small commercial operators.

Mr. Brewin: Mr. Chairman, I should first like to congratulate the Minister of National Defence for what I would describe as his tactical success on the narrow front on which he has no doubt concentrated considerable effort and attention. I refer to the field of public relations. Behind the smokescreen of integration he has succeeded in concealing a conservative—I use that word as a descriptive, not a condemnatory term—sterile, and unimaginative defence policy. The vital question of the role to be played by Canadian defence forces has been virtually concealed, ignored and bypassed. The Canadian defence effort today consists of doing virtually the same old things, in the same old way, at the same old level of expenditures, namely, $1½ billion a year.

It is interesting that in this age in which strategies as well as weapons become rapidly obsolete the minister's statement to the committee almost completely avoided any discussion of changing strategic concepts or any critical analysis whatsoever of Canada's plans for the future. No doubt the minister would reply that the strategic plans of Canada were contained in the White Paper on defence that was issued in March, 1964. But the White Paper itself was cryptic in regard to most of the major issues.

It does not appear that the government is even contemplating withdrawal from obsolete and even dangerous and provocative strategies. If it is, it is silent on the subject.

I think the public has been lulled by the minister and, indeed, I must say by the press, by the magic word "integration". In press releases which extol the bold new initiatives of the minister the public are induced to accept, with a sort of fatalistic resignation and complacency, the vast expenditures which we are making in defence.

• (2:50 p.m.)

These expenditures are more burdensome to the taxpayer than any other form of expenditure that we have to consider in this parliament. The Canadian public is asked to forget the vital question, namely, how much of the money spent might just as well be poured down the drain?

We have no objection to the limited integration which has been carried our so far. We do not believe, as the hon. member for Vancouver East said earlier in the debate, that this limited integration is responsible for the low morale of which the hon. member for Calgary North has spoken. But there will not be and there cannot be any effective integration of the Canadian forces until there is a much more realistic acceptance of the limited role which Canadian forces can be expected to play. This role in our view would be the maintenance of integrated mobile conventional forces in support of the peace keeping activities under the UN, upon which we should mainly concentrate, and a useful role within the alliance of which we are a part. This and this alone would enable real integration to take place. Without it integration is more of an incantation than it is, to borrow a phrase the Minister of Transport used in the debate the other day, the actual factual situation.

I do not propose to discuss the details of weapon systems or the acquisition of particular hardware, as we have learned to call it. I propose to review the role or tasks that Canadian forces are now fulfilling to indicate why I have suggested to the committee that some of these are obsolete and why some we are not yet adequately equipped to fulfil.

I assert that if we could penetrate the smokescreen of favourable publicity the defences of Canada under the present administration would be seen to be misdirected, expensive and inadequate. I hasten to say, Mr. Chairman, that this is in no way the fault of the men in the services. They have justly earned a high reputation for efficiency and effectiveness wherever they have served. We echo the tributes paid to them by the minister. The fault is the fault of political direction. The political direction of our armed services under the present administration is timid and traditional, fearful of a searching examination of Canada's place in over-all strategy and fearful above all of any radical change.

What are the main roles played by our armed services? They include, first, the

maintenance of a brigade in the forward lines in West Germany armed with tactical nuclear weapons; second, the maintenance of eight squadrons of the R.C.A.F., six in West Germany assigned to a strike role and two in France in a reconnaissance role. These are now or, I think the minister told us, shortly will be equipped with both nuclear and conventional loads. The third is the role of active air defence of North America under NORAD. The fourth is a share in the antisubmarine role under the Atlantic command of NATO. The fifth is the so-called mobile command designed to provide a mobile conventional force available both as a mobile reserve in NATO and for United Nations peace keeping operations anywhere in the world.

The first role, Mr. Chairman, namely, the maintenance of a brigade of tactical nuclear weapons in Europe, is part of the outdated tactical nuclear strategy that was adopted in 1958. It has been criticized by a host of qualified military authorities. They say it is based upon a mistaken reliance on early or immediate response with tactical nuclear weapons to a full scale conventional invasion of west Europe. This role overlooks the fact that such an invasion is today unthinkable as it would almost certainly escalate into a devastating strategic nuclear holocaust. It overlooks the fact that a tactical nuclear response to some lesser eruption of violence in Europe would also create the dangers of escalation.

From the point of view of a useful Canadian contribution, it further overlooks the fact attested to by Mr. McNamara that the western allies have overwhelming superiority in such tactical nuclear weapons. It completely overlooks the fact that, as General Foulkes informed the defence committee, it was agreed by General Norstad and military authorities of NATO as long ago as 1960 that our brigade group should go into mobile reserve. General Foulkes said that such action would cause the brigade group to be reorganized as an air portable formation with an airborne element which would suit Canadian aptitude and training.

The only excuse advanced for the failure to carry out this military recommendation in 1960 is not in the realm of good military thought but is due to some alleged political reason. On the contrary, it seems to us that political reasons would dictate a thinning out and withdrawal of the massive confrontation of tactical nuclear forces in Europe and that Canada might well initiate this process.

[Mr. Brewin.]

The White Paper, despite the bold words used by the government when it promised a review of Canada's role, opts for the indefinite continuance of this role in Europe. The North Atlantic council met in Paris in December, 1965 and issued a communiqué. This is what they said:

> Force goals for the period 1966 through 1970 are being worked out, as the first of a series of steps designed to secure a closer alignment between NATO military requirements and national force plans within the agreed strategic concept of a forward defence posture. They—

I take it that means the delegates of the NATO countries.

> —accepted in principle the introduction of new procedures designed to improve the annual process of reviewing the defence efforts of member countries and agreeing upon their force contributions. These procedures, by projecting alliance force goals and country plans five years ahead each year, are designed to enhance the capacity of the alliance to adapt its defence plans to changes both in military technology and in the international situation.

What country plans are as distinct from the alliance force goals I am not sure, but I presume it means the plans of each country.

So far as I know the minister has failed to reveal whether or not Canada at this NATO council meeting accepted this five year plan, what force goals it committed itself to, whether any suggestion was made that was critical of the continued reliance on tactical nuclear response, whether the military proposal approved in 1960 for the withdrawal of the Canadian brigade to a mobile reserve was discussed or brought forward by the representative of Canada and what, if any, the current proposals are to adapt the defence plans of NATO to changes in military technology and the international situation. We in this house have a right to know what our representatives in NATO have committed themselves to or propose to commit themselves to for the next five years or if they did propose to commit themselves to anything for the next five years. We have the right to know whether or not the promise to negotiate out of this role has in fact been forgotten, or whether any steps have been taken to do so. We are told there are political reasons for maintaining the brigade group in the forward role, but the future military necessity for it, as agreed by all military authorities, is finished. We want to know what these political reasons are and have them explained to the house. The same questions are even more insistent with regard to the eight air squadrons that we maintain in Europe. These air

squadrons, as the house knows, or at least those members of it who follow this subject, have the role of interdiction or striking with nuclear or conventional capacity well behind the lines of any conflict that might develop in Europe.

• (3:00 p.m.)

These tactical nuclear weapons are in theory under the control of the United States political administration but it has been revealed recently—I do not know whether I have the clipping from the New York *Times* here—that the warheads, that are in what is supposed to be American custody and in theory cannot be used without the specific approval of the United States, are in fact mounted on allied weapons systems and are inadequately controlled. This is the view of the people in the American administration.

The danger constituted by the existence of these air squadrons is that they are highly vulnerable. We were told in the defence committee that Russian rockets are trained on them. I ask the house to consider seriously the danger that in a moment of tension the military incentive, the almost overwhelming military incentive on either side to take action before their own air squadrons on the one side or their rockets on the other were destroyed. The need to anticipate even in a matter of seconds the action that may be taken on the other side would be intense.

A little while ago the Right Hon. Fred Mulley, who is the British Minister of Defence for the Army, wrote an article for the Institute of Strategic Studies. This article was published in "Survival". I invite the attention of the committee to these words of a man who is daily concerned with these problems. He said that the greatest danger of nuclear war comes from the risks of nuclear escalation and it is unfortunate that our preoccupation with the less relevant issue of strategic nuclear policy has prevented discussion of what seems to Mr. Mulley the real question facing NATO, the role and command of tactical nuclear forces.

We do not get a word from the minister here about what Mr. Mulley tells us is the chief issue. We are not even distracted by discussions of strategic nuclear control; we are left with discussions of integration at headquarters. Mr. Mulley goes on to point out that the allied air forces in Europe may fit into the concept of a generalized nuclear war, but he says they do not match the political requirements of avoiding nuclear escalation and the attempt to compel a pause in a limited war situation. This constitutes in fact, whether we choose to realize it or not, as Mr. Mulley says, the major danger of a nuclear war; yet we maintain our role in this connection and the minister does not choose to even discuss it with the house.

The minister, so far as his statements and the White Paper reveal, is totally unconcerned by this vital problem. So far as we can tell, he commits Canada to a continuation of this role. I must say that in the White Paper it is indicated that the CF-104 aircraft would not be required in the future and that the numbers of operational squadrons will decline as the result of normal wasting away over the next 10 years.

The minister tells us nothing as to whether Canada proposes to accept in NATO some alternative role or replacement of these aircraft or whether, as the CF-104 has become non-operational, the Canadian air contribution will just fade away. The whole concept of our contribution to the tactical nuclear air force in Europe was described by John Gellner to the committee—and I think I have his words right—as a $500 million blunder. It is typical of this government and this minister—

Mr. Herridge: I have been saying that for five years.

Mr. Brewin: —that we are to continue the operation of this blunder until, in the language of the minister, it is phased out. It is typical of the minister that he can make a statement on defence without comment on these vital issues.

There remain the antisubmarine role and the active defences under NATO. That the first constituted a massive contribution to fighting the last two world wars and will probably have no relevance to any imaginable war in the missile age does not seem to have attracted the interest of the minister at all; nor does, obviously, the obsolete nature of our active air defence under NORAD provoke any reaction in the minister except vague hints that the Bomarc squadrons will be gradually phased out as the relative threat of the manned bomber diminishes.

The plain fact of the matter is that the threat caused by the manned bomber no longer exists and defence against it is useless. This brings me to the last role to be mentioned, Mr. Chairman, the so-called Mobile Command. I say it is good news to hear from the minister that this special service force

concept is to be expanded. It is to be hoped that not only the concept will be expanded but the actual ability to perform this function. It is reassuring to hear the minister say that current plans call for two brigades to be converted to the concept of air transportability. I should like to hear more from the minister about how and when these current plans are to be carried out.

The minister told us in his statement about the purchase of 20 additional C-130 Hercules aircraft to provide strategic airlift for the Canadian armed forces. This is welcome news to us. I note the statement of the minister that the capability of this command must be further examined in the years ahead in order to meet adequately the philosophy of mobility set out in the White Paper. Studies, he tells us, of the best cost-effective equipment for this expansion are under way. With these proposals for greater transportability we agree; we believe this to be vital, but we are anxious to obtain the details of these plans. After all, it is nearly two years since the White Paper was published which contained this promise. How long are the cost-effective studies going to take? What are the plans for the further expansion of the capability of Air Transport Command? What is the size of the forces that it could transport by air at the present time, and to what parts of the world could it transport these forces?

The philosophy of mobility as set out in the White Paper is all very well; in fact in my view it is the best part of the White Paper. But philosophy must be translated into action. While we continue to try to maintain obsolete roles within the financial ceiling of roughly $1½ billion, is there a danger that the steps necessary to transform the philosophy of mobility into actuality may be starved? We fear this may be the case.

This party believes that these are questions which require answers. It is our conviction—this has often enough been said but not so often practised—that defence policy must fit into political objectives. The political objectives that Canada, as a result of her membership in the alliance, is best able to fulfil through her defence services is the provision of peace keeping forces, highly mobile conventional forces. In our view we should concentrate on this role and move with far greater speed and determination than the minister has shown away from the obsolete roles of the past.

[Mr. Brewin.]

• (3:10 p.m.)

[*Translation*]

Mr. Cadieux (Terrebonne): Mr. Chairman, I would be remiss if I failed to take this opportunity of telling the house about the gratifying experience I have had in the year since I have been appointed to the Department of National Defence. More specifically, in this last year I have had the opportunity of visiting many units of the Canadian Army. I feel duty bound to bear witness not only to the good will the forces have shown in accepting the integration program put forward by the Minister of National Defence (Mr. Hellyer), but also to their understanding of the essential part they are currently playing in the future, the security and the stability of our country.

The debate on National Defence estimates has just begun, yet a number of opinions have already been heard, some contradictory, some favourable and others hostile to the integration of our armed forces. In certain circles, the opinion seems to be that the Minister of National Defence, myself and the personnel concerned with national defence do not realize the problems connected with implementing the integration program.

This is quite wrong, Mr. Chairman. We know the problems involved, and we also know that sometimes they are very hard to solve. On the other hand, that is no reason to stop and fail to carry out a project which seems likely, even at this early stage, to bring about so many advantages, and which also allows us to look forward to armed forces designed for the future rather than for 50 years ago. Through this experiment, we had the satisfaction of finding also that many foreign countries envy us for the very reason that we are of the stature needed to try such an experiment.

During the past year I met several representatives from foreign countries, from friendly and commonwealth countries, who came here to inquire about the progress made in the development of the integration of our forces and every one of them told us that, in their own country, the implementation of such a program had already been considered, sometimes quite often.

In certain countries, it was found that the armed forces were perhaps too numerous to arrive at such a clear integration, and they wanted to know how it had been achieved.

Obviously, the problem here is to know if we have in fact achieved, since the publication of the white paper in 1964, the progress we had expected. I think, Mr. Chairman, that this progress has been not only achieved but that the ambition shown at the start was even surpassed and now we are in a position to conceive the logical sequence of this preliminary stage which is called integration and which will be completed by unification of the forces.

This morning the member for Vancouver South (Mr. Winch) asked us to define the policy of the department. We did that in 1964. This policy is, I believe, stated quite clearly in the white paper and shows both the short-term and the long term policy of the Department and of the government.

If the members would read once again the white paper, I believe they would find a definition of the principle behind all the subsequent steps taken to bring about first the integration then the unification already discussed in 1964.

Although he seems sympathetic, the member for Red Deer (Mr. Thompson) says to us: we want faster action.

Is this possible? Those services, while having to redefine themselves, have been able to integrate in a single command and reform in depth. This was done swiftly and could not proceed any faster.

We overcame difficulties and confusion, and we can now conceive a coherent general staff where people of the various services can work toward the same goal, because they have understood the interests, needs and advantages, and they can now fully co-operate to the building of a single force which will make Canada a forerunner in this field.

Our foreign responsibilities have not been ignored either. We explained in the white paper that until further notice, so far as the defence department was concerned, we must respect our commitments taken within the alliances to which we belong. We understood our role and we go along with the policy of this government and I believe that overseas, precisely in the carrying out of these various tasks, the Canadian forces are our country's best ambassadors whether in Cyprus, in Germany or in that operation to which we are involved in Zambia. They are the uniformed emissaries of Canada, ideal ambassadors for our cause.

Thus we exert the influence the hon. member for Greenwood (Mr. Brewin) wishes we had, that is the influence of a peaceable country which knows how to implement war operations while practising international charity and which knows how to act as a peacemaker, such as in the case of Zambia where it is acting as a go-between in order to prevent the development of a more serious situation.

I do not intend to deal with all the problems that have been raised. I know that the Minister of National Defence is far more competent than I am to answer these objections, and he will do so at the proper time. However, it seems to me that there have been many contradictions among opposition members since the beginning of this debate. For instance, we are blamed on the one hand—by the hon. member for Calgary North (Mr. Harkness), I believe—for the purchase of this aircraft called the CF-5. We are told that this plane has been rejected by the American forces after their experiments in Viet Nam, that no country in the world will buy it and that, as a result, Canada will find itself in the position of having in its possession a specimen or unique samples, that it will complicate in a fantastic manner the costs involved for unkeep, maintenance, and operation of these planes.

Well, Mr. Chairman, that is not borne out by the facts. Tests were made in Viet Nam, but they have not been completed yet. Tests are being conducted now and the findings have not been announced yet. I cannot see how the hon. member for Calgary North can, on his own, come to the conclusion that the CF-5 is not a valuable aircraft, that it does not fall within our specifications and the role we had in mind for it.

On the other hand, I cannot understand either his saying that we will be the only ones to have that aircraft when we know that several hundred planes have been sold already to at least nine other countries, allies of Canada.

Something has been said also—and both hon. members for Halifax mentioned it—about the problem of housing for the armed forces. We know about that problem, we understand its importance, and we agree with both hon. members in saying that a way should be found to improve the general situation with regard to housing for the armed forces.

• (3:20 p.m.)

[*English*]

Mr. Crouse: Would the minister permit a question at this time?

It is with regard to his statement which he just made about the CF-5. Would the minister not agree that this aircraft requires a longer runway than an Air Canada DC-8 jet? With its underslung bomb load it requires an even longer runway, and a perfect runway, which would not be available at certain airfields at the present time.

[*Translation*]

Mr. Cadieux (Terrebonne): I note that the hon. member puts his question conditionally.

The information I have, and which I give without committing myself, is certainly not complete, because for instance, in the preliminary experiments in Viet Nam, this aircraft took off on a normal strip ranging between 4,700 feet and 6,000 or 7,000 feet but on a 4,700 feet strip, the aircraft took off perfectly.

Now, I say again that I do not have any final information no more, I am sure, than the hon. member who asked that question. Personally, I will be satisfied with extended trials which are now taking place in Viet Nam and with a report which will be forwarded to us, following the conclusion of such trials. But I think that, theoretically, this aircraft does not require a longer take-off strip, certainly not longer and even not as long as the aircraft used by Air Canada.

Mr. Ricard: Your answer is, therefore, conditional.

[*English*]

Mr. Crouse: Would the minister permit another question. I believe the minister's statement that it would not require a longer runway is incorrect. But with its underslung bomb load it is my understanding that it would require a perfectly flat runway in order for it to take off and land. This type of runway is not generally available in some of the areas in which this aircraft will be used. This is why I question the advisability of purchasing this type of aircraft.

Mr. Cadieux (Terrebonne): In answer to that particular question, Mr. Chairman, I can say this much, that the basic plane which has been purchased is going to be modified to a certain extent. I think this was one of the things which were considered in the recommendations of the R.C.A.F. specialists. Until the complete aircraft we have purchased in a modified way is in service, I do not think you can assess it and say it is unable to use a rough landing field.

Mr. Hellyer: It can land on the grass.

[Mr. Crouse.]

[*Translation*]

Mr. Cadieux (Terrebonne): Mr. Chairman, I will now deal with military housing for servicemen and their families.

I appreciate the interest shown by members of the Halifax region in this regard. I can tell them that officials of the department are most concerned about this matter and that they are constantly endeavouring to make military housing more pleasant and more comfortable. But, for the information of the senior member for Halifax who suggested that the minister should do something to encourage members of the armed forces to eventually own their home in the general area of their postings, I wonder how he can reconcile the nature of military life with this permanent residence requirement which means that a soldier would have to live 15 or 20 years in the same place in order to acquire a reasonable equity in the house in which he lives?

In my opinion, these two proposals are mutually exclusive. When a man enlists in the armed forces and accepts postings which may last from three to five years, he accepts at the outset a relatively unstable life and also certain conditions which will prevent him from owning a house after having lived in it for a number of years.

Mr. Chairman, I was extremely flattered last night by the minister's remarks about me and, with deep humility, I should like to pay him the same compliment. I think he deserves it and I would also like to say that it is easy to co-operate with a man who knows what he wants, who is not afraid to take his responsibilities, who is familiar with every last detail of the problems of his department and who knows how to proceed, like a determined and patient man, towards an objective which is difficult to attain.

[*English*]

Mr. Chairman, a great deal has been mentioned already in the course of this debate about morale in the armed forces, and the opinion has been expressed that morale is lower at the present time than it has been for many years—perhaps in the history of the forces. This judgment has been based principally on the increased numbers of members of the force who have been retiring at their own request.

I have in the course of the last several months visited a number of the Canadian forces bases, and from my personal observation morale continues to be of a very high standard.

Mr. Lambert: It is not what it should be.

Mr. Cadieux (Terrebonne): If I recall the testimony given a few minutes ago by the junior member for Halifax, he said that morale was not low.

Mr. MacEwan: You are confused.

Mr. Cadieux (Terrebonne): I am wondering who is confused, whether it is the armed forces or hon. members on the other side.

I recently visited the Valcartier camp, the home base of the Royal 22nd. I found that morale there was exceedingly good as members of these regiments look forward to the long-needed expansion of their training facilities and the improvement of the base facilities that is planned over the next few years. The fact that it has been possible, as a result of integration, to incorporate in the plans of the armed forces better equipment and better facilities in undoubtedly resulting in improvement in the morale of the members of the forces. As you know, Mobile Command recently took over the Valcartier base as part of its command, and the new role of that command with its emphasis on quick reaction time and mobility has been accepted by the forces in that command with the greatest enthusiasm.

• (3:30 p.m.)

An examination of the voluntary and non-re-engagements among N.C.O.'s and men of the services leads to the conclusion that the increased numbers leaving at their own request has very little to do with the policy of integration. The figures of voluntary releases and non-re-engagements over the last five years show that 4,142 were released in 1961, 4,325 in 1962, 6,119 in 1963, 7,893 in 1964 and 8,097 in 1965. There has clearly been an increase in the number of voluntary releases from the forces in this five year period, and I suggest that this is a reflection of the steadily improving employment conditions in this country and the sharply increased competitive situation that now exists. My own observations in this field support the conclusions that are evident from these statistics, that is, that the problem of recruitment and retention in the forces today is associated with matters of pay and other conditions of service related to the opportunities in the civilian employment market.

The department is in the course of completing a number of studies designed to deal with these particular problems, both for officers and men, that cover the conditions of service of the forces, the system of remuneration in the forces, the fringe benefits that are available and other conditions of service that affect the individual. We expect that these studies will all have been completed in time for the conclusions to be applied in respect of the next cyclical pay review for the armed forces which takes place effective October 1, 1966. In the meantime we are taking steps and will continue to do so to meet these areas in which obvious adjustments are necessary. I am happy to be able to announce today the approval of a re-engagement bonus system for N.C.O.'s and other ranks in the armed forces.

Mr. Churchill: You were forced into it.

Mr. Hellyer: Not at all. It was good business management.

Mr. Cadieux (Terrebonne): This will provide for a re-engagement bonus at each re-engagement which will be calculated at the rate of $200 for each year of the period of the re-engagement. On a five year engagement the bonus will be $1,000 and this will be payable at the time of re-engagement. At the same time, on the introduction of this bonus, all those who have re-engaged and are presently serving in a re-engagement will be paid a *pro rata* bonus based on the period remaining to be served in their engagement. A man, for example, who re-engaged in 1964 and still has four years to serve in his engagement will receive a bonus of $800.

I believe that these bonuses will be welcomed by the men of the forces and that they will have a significant effect in influencing men in their decision to stay in the forces. I think hon. members are aware that the cost of training members of the forces is considerable and I have every confidence that much of the cost of the bonus to which I have referred will be met by improved retention rates and consequentially reduced training costs.

Mr. Langlois (Mégantic): May I ask the associate minister a question?

Mr. Cadieux (Terrebonne): Yes.

Mr. Langlois (Mégantic): I would like to ask the associate minister about this $200 bonus. For example, on a five year re-engagement it would be $1,000. Is that $200 for the first year, and $200 for the second year, or is that total of $1,000 considered as an amount, over all, to be paid in the first year.

[*Translation*]

Mr. Cadieux (Terrebonne): I think I said clearly that, in the case of a five-year re-enlistment, a sum of $1,000 was paid at time of re-enlistment.

Mr. Langlois (Mégantic): $1,000?

Mr. Cadieux (Terrebonne): Yes, Mr. Chairman.

I wish to conclude these remarks—I really did not intend to speak so long and I apologize—by saying that I am personally convinced that the way in which the minister is now doing the job he has undertaken is, in my view, extremely comforting and is such that we can hope to have, at least, perfectly integrated armed forces, and efficient military service, because the prime objective of integration was not necessarily saving money but ensuring a higher degree of efficiency—

Mr. Ricard: That is not what you said a few moments ago.

Mr. Cadieux (Terrebonne): —and that is what we are accomplishing daily—

Mr. Ricard: That is not what you said a while ago.

Mr. Cadieux (Terrebonne): —and that is what we are accomplishing daily.

Mr. Ricard: There are contradictions.

Mr. Cadieux (Terrebonne): There is no contradiction. I said that efficiency came first and then economy.

Mr. Ricard: That is not what you said a while ago.

Mr. Cadieux (Terrebonne): And we have accomplished both, namely greater efficiency and, at the same time, savings of more than $100 million already.

In my opinion, we also have a much more flexible administrative formula by which we can study an over-all budget for a five-year period. This permits us to project the administration and this, I think, is the modern way to administer because an important service is involved. I remember it was one of my first reactions, 25 years ago, when I came in contact with the Department of National Defence for the first time. I met an old brigadier of my acquaintance who told me: "This is big business". When we are handling a budget of $1½ billion and when we administer a service involving nearly 135,000 people, I think that it is logical to hope for modern administration, management and control methods, and with the integration we are now trying to implement, we are getting good results. I think the whole house should rejoice that the efforts made up to now have met with such great success.

[*English*]

Mr. Churchill: Mr. Chairman, two years have elapsed since we had a debate on defence. It is high time that we examined this department and examined it thoroughly with regard to policy, and with regard to the statements and promises which have been made, to see if there has been any fulfilment of those. It is rather interesting to look back at May 8, 1964, to page 3086, when I said this:

> Then, the minister did as he did in December, he praised his associate minister. The associate minister will get up and praise the Minister of National Defence. This is what was done last December. They pat each other on the back and say, "My, how hard my colleague is working." They are the gold dust twins working together.

We have that again. We have the associate minister, and he gets pulled into this Hellyer complex and pats the minister on the back and gets a return pat on his back.

An hon. Member: That is part of his job.

Mr. Churchill: I was disappointed in the associate minister. I thought he would stand up on his own feet and establish himself, as the former associate minister suggested, on an equal basis with the Minister of National Defence, and not just tag along behind this great, self-appointed commander in chief of the Canadian forces. The associate minister in his opening remarks said that he was going to tell us—and this is what I heard through the translation system—about the experience he had lived through during the last year. It has been pretty terrible living through experience with the Minister of National Defence. I have some sympathy for the associate minister—but not very much, because he has disappointed me today. He said that the armed forces are not conceived with 50 years of the past in mind, but with the future in mind. Two years ago the Minister of National Defence introducing a bill into this house did not go back 50 years. He went back 60 years to introduce a system which was discarded by the British 60 years ago.

• (3:40 p.m.)

I think the word to describe the situation today as we enter upon a discussion on national defence after a two years lapse is "disillusionment". That is the impression I

received while listening to some very able people speaking this afternoon—people who are not necessarily more able than some others who spoke, but they have been around here for a long time and they are or have been members of the committee on defence. I am thinking of the hon. member for Calgary North, the hon. member for Vancouver East, the hon. member for Mégantic and the hon. member for Greenwood. They are all familiar with the Minister of National Defence and they all expressed disillusionment. This is what has happened after almost three years of this minister being in office. I was disillusioned with him before he ever took office, because I listened to him when he was sitting on the opposition benches and I heard his extravagant and irresponsible statements with regard to national defence. I will read out some of them to the committee this afternoon if I have time. When I was on the standing committee on defence in 1963 I was profoundly disappointed because one could get no information from the minister at all. The other members I have mentioned have reached the stage of complete disillusionment with this minister and the policy of his department.

Yet I do not know of any minister in the present government who has carried on a more extended campaign of grandiloquent praise. Everything, according to him, is better. Everything is more efficient. Everything is saving money. Whoever is working for him in public relations must be getting an annual bonus, because the minister is paraded across this country on radio, on television and in the press as being the wonder boy of the Liberal party.

Some hon. Members: Hear, hear.

Mr. Churchill: Wait till the Minister of Finance and some of those other people who are interested in the leadership hear that. There was quite a bit of applause this afternoon from those benches for this man.

It has been a great build-up. There has been a lot of talk about all the wonderful things which have been done in the department of defence. But today we have had an analysis of the failure of this minister. The balloon has been pricked. I will deal with that in a few moments.

There has been far too much propaganda across this country with regard to our national defence. People have been bemused. I doubt whether there is one person in a thousand who understands what is meant by integration and unification. We have had no explanation today from the associate minister. He said this was all in the White Paper. I have the White Paper in front of me. We shall see whether it is explained in that document. We were told about the great saving of money which would be realized. Well, the minister will have an opportunity to put the facts in front of this committee before we finish examining these estimates. Let us have the facts and the figures, not a general statement.

The hon. member for Calgary North said the saving of money which had been effected for diversion to the acquisition of military equipment or, to use a colloquialism in which the minister indulges, hardware, is lower than it was seven years ago. It is down to 12 per cent. Yet a few years ago the minister was complaining, in opposition, that insufficient money was available for the purchase of military equipment.

Look at the White Paper. This is what hon. members will find on page 19: "Sufficient savings should accrue from unification to permit a goal of 25 per cent of the budget to be devoted to capital equipment." Let the minister put the facts and the figures in front of us, instead of propaganda which is going out in this country, building him up. I say it is not true. If it is true, the minister can disclose to this committee by giving us actual figures whether he has reached this figure of 25 per cent or not.

The minister's speech yesterday was a soporific speech. As the member for Calgary North said, the hon. gentleman seems to have lost all his vitality. He was worn out. Perhaps he should be shifted to some other portfolio. There was no drive or vitality in his speech yesterday—or perhaps he was trying to drag it out so that the hon. member for Calgary North could not take the floor to reply to him.

What was contained in that speech of the minister's last night? It was just a rehash of administrative action, to use an expression which the hon. gentleman himself has used. And there were some mistakes in it. I will point out two mistakes right now. I presume the minister wrote his own speech. In any case he has to take responsibility for it. On page 1419 of *Hansard* he is reported as saying "—from the very first days of our air division in Europe; first flying Sabre jets and then CF-100's—". He has put them in that order. But the CF-100's were retired to make way

for the Sabre jets. It is not a serious mistake, but it is an obvious one.

Then, as reported at page 1418, he speaks about the personnel carrier. I will read the hon. gentleman's words:

> The introduction of the M.113 armoured personnel carrier to our NATO brigade group in Europe is now nearly complete. This has given the brigade group a greatly enhanced operational capability and, for the first time the armoured protection it would need in the face of a fully mechanized opponent.

I agree it gives them greater operational capability. But it is simply ignorance on the part of the minister, or whoever wrote this for him, to say that it would for the first time provide the armoured protection needed "in the face of a fully mechanized opponent". Incidentally, the word "mechanized" as applied to these units dropped out about 25 years ago. Today we speak of "armoured formations" and "armour". It is completely wrong. An armoured personnel carrier gives the infantry inside it protection against small arms fire, mortar fire and small fragments of shells but it does not give them any protection at all against tanks and the missiles which come from tanks. These will go through an armoured personnel carrier like a knife through butter. For the minister to indicate that this carrier gives troops protection in the face of a fully mechanized opponent is completely wrong and misleading. It shows gross ignorance and I am surprised he should have introduced such a sentence in a description of an armoured personnel carrier. The armoured personnel carrier used in the second world war was a much heavier machine and a German 88 millimeter shell would pierce it as easily as one would tear a piece of paper.

• (3:50 p.m.)

Why the minister should be responsible for that I do not know, except that most of the time he does not know what he is talking about.

This morning at the question period I asked the Prime Minister what progress was being made about negotiating out of the nuclear role, something which he promised three years ago. In his reply, and I quote his words, he said:

> As my hon. friend, the Minister of National Defence indicated last night . . . . we are at present doing just that.

But there was nothing in the minister's speech last night to indicate there is any attempt whatsoever to negotiate out of the

nuclear role. That was the promise made by the Prime Minister prior to the 1963 election, but nothing has been done in the three years that have followed. If something had been done we would have heard from the Prime Minister, the Secretary of State for External Affairs, or the Minister of National Defence. I have been asking that question in one form or another for the last three years, and I have been brushed off. That promise is just another one of the unfulfilled promises of the Prime Minister.

Let me draw attention to the Minister of National Defence and his position in 1961. He was then sitting in opposition and was very critical of the then minister, the hon. member of Calgary North. He was critical about the equipment that should be bought for the Canadian forces, and you will find these words of his recorded at page 8230 of *Hansard* of September 12, 1961:

> It is interesting to note that in the long list of priority items presented by President Kennedy to Congress on March 28 last there did not appear one of the major items on which the Canadian government is relying. Not one American penny for the Voodoo, the F-104, the Bomarc or the Honest John. The Canadian defence department has become a pawnshop for second hand American hardware.

That was the minister in 1961. He has retained all this second hand American hardware ever since, and he has been acquiring more.

Quite a bit has been said about this plane, the Super F-5, or whatever it is called. Let us see what is said about that by James Eayrs, professor of political economy at the University of Toronto, author of a book "In Defence of Canada," who wrote in an article in *The Globe Magazine* on October 23, 1965:

> The Canadian government has recently contracted to purchase for the R.C.A.F. more than 100 Northrop Freedom Fighters, the Super F-5. A recruiting advertisement of the Department of National Defence describes it thusly:
>
> "The Super F-5 is just one of the many new exciting things that's happening in the air, on the ground and at sea in the Canadian forces. Fast, versatile, and rugged, the Super F-5 is an ideal partner for our ground forces. Operating from sod fields, it's deployed right up front where the action is, ready to step in and back up Canadian troops—with authority."
>
> It is obvious that this description of a strategic role for an extensive new weapons system is a complete fantasy. I don't doubt for a moment that the aircraft can take off from sod fields and the rest of it; but there is nothing in Canada's military position to suggest that it will ever be called upon to do so.
>
> A few weeks ago, I chanced to meet a senior official of the Northrop Corporation, who told me that there was joy and amazement in Beverly Hills

in about equal proportions—joy that the Canadians had bought the F-5 in such large quantities, amazement that we would have any useful purpose for it.

We will let the minister and the associate minister think that one over. Other evidence has been produced this afternoon with regard to that machine. I wonder will the minister tell us on Monday, using his words, that, "the Canadian defence department has become a pawnshop for second hand American hardware."

Mr. Winch: I said a junkyard, not a pawnshop.

Mr. Churchill: I was using a more polished phrase.

This morning the hon. member for Calgary North exposed the weakness of the minister's position when he talked about low morale, loss of manpower, shortage of equipment, disruptions in the lines of communication under the new organization system, the ineffectiveness of the naval program, the great mistake with regard to the F-5, and the corresponding error with regard to the simulator which apparently the Department of National Defence ordered through the Department of Defence Production, and they are having their own internal war to decide who did what, and when, and why.

Mr. Winch: Is it not correct that it was never ordered?

Mr. Churchill: Perhaps the minister will clear this up for us when he has a chance to speak. But with all the study groups that are operating in the department, with all the slide rules and computers available, you would think no mistake would be made. Whenever anything crops up the minister or the associate minister says, "Let's set up a study group." I would like to have a return showing the number of study groups set up in the department over the last three years. I wonder whether the officers, non-commissioned officers and men have been doing anything else except working on study groups and in seminars. I wonder do they ever do any training. They must be terribly unfit physically if they are sitting around studying all the time. Apparently there was no study group to deal with the simulator, and so they messed it up.

Two years ago, when the minister was changing the set-up and arranging to have a commander in chief, a supremo as we called him, who would operate with an advisory council, I drew attention to the trouble that would be encountered. Now I understand the minister has set himself up as commander in chief of the Canadian forces. If the information I have is accurate, and I think it is because it comes from a very responsible source, the minister is taking upon himself to retire very senior officers against the advice of other senior officers, to make promotions against the advice or without the advice of his advisers, and generally to act as a commander in chief.

Where does this put the chief of staff? On July 6, 1964, I drew attention to the trouble that might arise under such circumstances. I said:

If the supreme commander is adamant, what does the minister do? On the one hand, the minister becomes just a satellite of the supreme commander and has to take his word for everything. On the other hand, if the minister enforces his will on the supreme commander and tries to get him to do something contrary to his military experience, the supreme commander either becomes a tool or puppet of the minister or he resigns and you have an upset in the system.

• (4:00 p.m.)

Are we reaching that stage where there is a conflict of interest between the chief of staff and the Minister of National Defence? What is going to happen? This is a weakness of the present system that the minister has set up, and these weaknesses are beginning to show. Who is the satellite and who is the puppet as between these two men?

I mention in passing that the minister has given no report whatsoever with regard to the NATO conferences that have been held during the two years when we have not had an opportunity to receive a report in this house. As the hon. member for Greenwood has asked, what commitments were made at the last NATO conference, and what are we committed to for the next several years? The minister should report in that regard.

I shall conclude my remarks on this occasion, if I have some time left, by dealing with the brigade in Europe and the question of its mobility. When the minister was here on the opposition side he talked about the mobility of that brigade in Europe. I talked about it years before that when we were formerly in opposition. I wonder what he has done about it. The only mobility that he appears to have applied to that brigade in the three years he has been in office relates to the addition of the armoured personnel carriers. I raised the question about armoured personnel carriers

back in 1951 when I first came to this house. It has taken a long time to get that type of proven assistance for the fighting infantry soldiers incorporated into our army. However, we have reached that stage finally.

There were a few helicopters being used by the brigade in Europe when I was there three years ago for the purpose of reconnaissance. What further work has been done in this regard to improve the mobility of that brigade? Is its supply column still a wheeled column tied to the roads of Belgium and France? We have gone through two world wars with our supply columns tied to those roads. Where is the plan that the minister should have to make this brigade completely mobile by the use of tracked supply vehicles or an air lift? We have not heard from the minister in that regard, yet he would give the impression that because armoured personnel carriers have been provided for that brigade it is now completely mobile. It is not and will not be completely mobile, from the point of view of a supply column, until it is furnished with either tracked vehicles or an air lift for that purpose.

Some years ago the minister talked about the fact that we were not purchasing Otters, Beavers or Caribou from de Havilland but we were getting planes from the United States. Would any of those or other types made by that company be available for an air lift? What about the helicopter; is it being used as it is being used in Viet Nam, or is it being used for just reconnaissance purposes as it was when I was over there three years ago? Why do we not make the brigade in Europe completely mobile and extend that mobility to other formations we are training here in Canada? Are we just going to go on fighting the last war over again with wheeled vehicles tied to roads providing supplies of ammunition, food and other materials?

The minister should get active on this and live up to some of the things he suggested when he was sitting here on the opposition side. He does not even need a study group in this regard because there is plenty of experience available. If he thinks he needs more experience and advice why does he not send military observers to South Viet Nam to see how the United States airborne cavalry division operates in action?

The minister should find out the type of helicopter used in Viet Nam and how the chain of command is operated. When I suggested that he do this the other day he shielded himself behind the fact that we have membership in the international joint commission in South Viet Nam. That is not a good enough excuse.

[Mr. Churchill.]

It has been pointed out, and the minister mentioned this in his speech last night, that the experienced officers and men who are survivors of the second world war are reaching retirement age and will be leaving the armed services soon. That is all the more reason for training younger men who have had no experience in warfare, other than those who were in Korea. They should be given the chance to see what warfare is like in South Viet Nam. Let them hear the sound of bursting shells and the whine of machine gun bullets. They could be kept safely out of the way in fox-holes or behind some kind of protection, but they should see what happens in battle and the effect of fire under battle conditions. Let them see how an army is supported under battle conditions.

In a very few years there will be virtually no one in our armed services who has had experience in actual warfare; yet it is essential, if lives are to be saved, that we have men with this experience. If our forces are committed to other than peace keeping duties, which perhaps involves little risk, it is essential that our officers and senior N.C.O.'s at least have some knowledge of how to look after troops under war conditions. That is why we should have observers to see what is being done in South Viet Nam. I do not suggest they risk their lives, but they should find out what is being done in South Viet Nam and bring that advice and experience back to our forces in training. Our forces must be kept to peak efficiency in the event of war.

There is no point in talking about national defence with the idea that there will not be a war. We all hope there will be no war, but I know of no period in the world's history when there has not been some kind of struggle taking place in which lives have been lost. Canada has had a long and difficult time in the 100 years of its history, with men of each generation engaged somewhere or other in warfare. I see no possibility of that situation being changed in the immediate future. This is unfortunate, but let us make sure that our forces are efficient. There is no point in telling us here that they are efficient, because they cannot be efficient unless there are senior officers and N.C.O.'s in our forces experienced in warfare. Under present-day circumstances we must have not only good and effective field training with good, effective modern

equipment, but we must keep abreast of developments in warfare taking place elsewhere in the world.

Mr. Groos: Mr. Chairman, I am certainly not going to take up more than two or three minutes of the time of this committee because I want to see the estimates passed. I will have plenty of opportunity to speak on matters of defence when this year's estimates come before the committee. I do wish to make a few remarks because of the very interesting words that have been said in the house today. We are speaking of matters of broad policy concerning defence when we speak on this section of the estimates. We have heard a lot of talk today about the morale of the armed forces, but we have heard a lot which is in my opinion nothing but hot air.

• (4:10 p.m.)

As far as morale in the armed forces is concerned, I like to think I am still able to keep in touch with some of the services and their activities. In my own riding there is a large naval base and I have many naval friends. We also have a fairly significant army base in Victoria. From the discussions I have had with servicemen in recent years I realize they are unquestionably going through a very difficult time. But I do not believe this is by any means all due to the minister or the policies he has introduced since becoming minister. Of course, some of the policies the minister has introduced have contributed to these difficulties, because change always does, particularly change within the armed forces.

However, Mr. Chairman, I believe most servicemen agree that the time had come when change was necessary. I also believe most servicemen agree that these changes are in the best interests of our nation. To begin with, what the minister has done in recent years by these changes is that he has given a sense of purpose to the personnel of the three services, and they appreciate this. When we are talking about morale we must remember that it is not made up of just one thing, and I believe it is wrong to claim that all the troubles besetting the services today are due to integration. This is part of the difficulty but only a small part.

I wanted to recommend to the government that they pay re-engagement bonuses because I think the lack of re-engagement bonus was contributing to the difficulties of re-engagement. I was very pleased to hear what the associate minister had to say just now about re-engagement bonuses. I think this step will be received very well by the armed forces. I might say I would have preferred the re-engagement bonuses to have been larger because I believe the savings will be out of all proportion to the cost involved. The saving is not just in dollars, but in the effort that has been spent in training persons who would have stayed in the forces had they been given a little more financial encouragement to do so.

This financial encouragement is now being offered to them to remain in the services. The financial outlay and expenditure of effort in training a serviceman is far higher than the average member of this house visualizes. In my humble opinion the cost of training any serviceman in his first three-year engagement would be well in excess of $15,000. Therefore to offer him $1,000 to re-engage for another five years will constitute a great saving and I think this step will be very much welcomed by the men in the armed forces.

I said I would only speak for two or three minutes, Mr. Chairman, and I intend to keep my word. In conclusion I should like to urge the minister and this government to press on with their plans for integration. For reasons of adventure and patriotism, young men today are just as keen to serve as they ever were. I want the minister to press on to conclusion with his plans for integration and then to stabilize the situation so we will no longer be faced with continuous change and the unsettling effect this has upon service personnel. I should like to assure the minister that the service personnel in my part of the country are behind him in what he is doing.

[*Translation*]

Mr. Allard: Mr. Chairman, last night I listened carefully to the statement made by the Minister of National Defence (Mr. Hellyer). He made a point of describing the policies of his department and the efforts made to complete the integration of our armed forces.

On the latter score, according to the minister, integration has produced satisfactory results up to now. We will wait until this unification program is completed before passing a definite judgment on its value and effectiveness.

But I will deal today with the military role of Canada and what would be a more realistic Canadian policy in this regard.

Indeed, what must be Canada's military role? Last night, at the beginning of his speech, the minister laid down two principles

according to which this country aimed first at defending Canada and second, at helping to maintain peace throughout the world.

I think those are two very commendable objectives, but they are expressed in terms that are too general. I expected the minister to set forth, in this important speech at the beginning of consideration of the estimates of that very important department of our country—

[*English*]

Mr. Brand: Mr. Chairman, I rise on a question of privilege. The simultaneous translation system is not working. I am sure many members who cannot understand the very fluent French of the hon. member for Sherbrooke have difficulty without the simultaneous translation, and I am sure they do not want to miss the hon. member's very excellent words.

The Chairman: Order. The Chair has already noticed that there is no simultaneous translation and steps are being taken to have it restored. Perhaps the hon. member would proceed for a moment or two without the simultaneous translation.

• (4:20 p.m.)

[*Translation*]

Mr. Allard: Mr. Chairman, I was saying that yesterday I expected the Minister of National Defence to take the opportunity, at the very start of consideration of the estimates of his department, to set forth in this house and for all Canadians, a well-defined policy.

We find that in the physical organization, the minister and the officials of his department have shown great concern in the past few years, they have obtained some success, up to now, in the physical organization as concerns integration of the armed forces. Very well, I grant that.

But what Canadians want to know is the short term and long term policies of the government and of the Department of National Defence.

It seems that they are acting blindly. "Marlbrough is going to war", but where is he going, when will he be coming back, and how far does he want to go?

You often get the impression, when considering the estimates of national defence, that you are somewhat like a Don Quixote swinging his blade in the wind. One does not know, one does not feel and one is not told in this house what is involved, on an efficient basis, in most of those expenses or at least in the more substantial amounts.

Obviously, the principles laid down by the minister were too general. They do not take fully into account the Canadian reality, the wishes of this country, and that is why the Canadian people, who have a lot of common sense, made their position known by returning three minority governments in the last three elections. The Canadian people do not know where the administration of National Defence is going.

National defence is a very important matter in this country. One feels that the ordinary citizen, the worker, the farmer, the white-collar worker as well as the ordinary member like me is treading on dangerous ground when it comes to national defence policy.

Well, Mr. Chairman, this afternoon I want to point out very humbly to the minister and his colleagues a few facts, a few principles on which a Canadian military policy should be based.

The first principle is that Canada must organize its own defence and co-operate with its allies according to its means and a reasonable proportion of its national budget.

No useful purpose is served—because too often we feel tempted to forget our limitations—by wanting, in the concert of nations, not only in the peaceful field of external affairs but also in international military circles, to take and participate in initiatives which are beyond our capacity from the standpoint of defence or even financial means.

At the present time, there is no immediate crisis or impending world conflict which is inciting our country to spend too much for military purposes. Far from it, because the minister said in his speech last night that, on the international horizon, the situation did not look alarming and that relations between the communist block and the allies seemed much improved.

We should, therefore, take advantage of this period of relaxation, this period of conciliation to reduce our military expenditures and devise a true long-term military policy for Canada. A greater part of our resources and revenues should be used to fight poverty first in Canada and then abroad. We should reduce our military expenditures and increase family allowances, old age pensions and our help to famine-ridden countries.

That is what Canada should do, Mr. Chairman, but it does the opposite.

The present government—and that is nothing new, previous governments did it too —increases military expenditures year after year, reduces help to foreign countries, as can be seen from the estimates tabled recently, and postpones increases in family allowances and old age pensions.

Compared to other countries, the share of our national budget earmarked for defence is much too large. I should like to call the minister's attention briefly to a few statistics. Even though I have previously referred to this matter, in order to define a national policy, one must necessarily proceed by comparison and study other countries whose aims, whether national or international, are similar to Canada's, to find how much of their budget they earmark for defence purposes compared to their total budget.

Allow me to quote a few statistics I obtained in the library of parliament, and in case the minister should want further details, I could give them to him.

For the fiscal year 1964-65, Canada spent 24.7 of the national budget potential on National Defence. New Zealand spent 8 per cent; Australia, 18 percent; Belgium, 12 per cent; Norway, 17 per cent; Sweden, 17 per cent; Italy, 15 per cent; Japan, 8 per cent; Czechoslovakia, 8 per cent and France, which is a large country and a major power with the United States, Great Britain and a few others, earmarks only 23 per cent for the fiscal year 1964-65.

And we, in Canada, are pipe-dreaming. We go off to war and get involved in all types of military adventures to spend 24.7 per cent of our national budget solely on National Defense.

Well, Mr. Chairman, I say we are not being realistic in our policies when we spend beyond our means in this area of national administration.

The second principle which a Canadian national defence policy should follow deals with the question of effectiveness.

Everything produced for our national defence should be for effective use and not as a symbolic or empty gesture.

The hon. members for Vancouver East (Mr. Winch), Winnipeg South Centre (Mr. Churchill) and Red Deer (Mr. Thompson) have very aptly pointed out the problem of the Bomarc missiles, obsolete according to many experts, and which the United States has discarded.

Well, this was accepted and there was, at the time, talk of an agreement of which we Canadians know nothing. We would like the hon. minister to give us some specific information on the subject: when will this agreement expire; what is the precise nature of our participation with the United States?

Also, are there conditions in case we withdraw? What efforts are made at present and, it seems, for the last two years, to repatriate our point of view on this question and to get rid of something which perhaps had to be accepted under the terms of an agreement about which we Canadians know nothing?

Mr. Chairman, I am saying simply that this Bomarc characteristic is precisely a criterion which proves there is a lack of efficiency, in many respects, with regard to the Department of National Defence expenditures.

If the Department of National Defence endeavoured to spend every cent of the taxpayers' money with maximum efficiency, keeping in mind the practical Canadian realities, we would not have this kind of budget. I feel that our policy would then be more profitable for Canada itself as well as for our relations with foreign countries.

At any rate, that agreement or participation with regard to the Bomarc is greatly detrimental to Canada's role as a peace maker, and to our sincerity with regard to nuclear disarmament.

Mr. Chairman, how can our representatives on disarmament commissions in Geneva, at the United Nations or elsewhere succeed, by means of high-sounding statements, in preventing the extension of the nuclear club if, at the same time, they advocate with an impressive eagerness the dissemination of nuclear weapons throughout the world?

If our own country accepts such weapons and if we are unable to define to the Canadian people or other countries our policy on this matter, then do we have a nuclear or anti-nuclear policy?

I am sure Canada is highly esteemed by all. One only has to travel throughout the world to feel that Canadians are welcome everywhere. Our role is one of pacifier and mediator, and we shall only succeed in playing that part fully if we give other countries, through our actions and our stand, the assurance that we are a peace making country, that we are not part of the nuclear club, and that we do not promote the dissemination of nuclear weapons throughout the world.

The hon. minister is to give us details on this point and also indicate clearly when our

troops will put aside the nuclear warheads within NATO framework.

To a question I raised during the session I was told—the replies are always vague—we do not know where we are going—in brief: The warheads will be recalled as the planes are taken out of service. Truisms, Mr. Chairman. What is the Canadian policy, the national defence department policy on this difficult, important and national issue of nuclear weapons? I do not know. Other members of different parties do not know. Canadian taxpayers, who pay for them do not know. This is why I often repeat it and say to the minister—the people, undecided about many areas of federal affairs, have elected three minority governments in the last three elections.

There seems to be a lack of firmness in the administration of the Department of National Defence. This point must be stressed because a lot is expected from the minister in whom we have confidence, for he seems to be a most sympathetic fellow.

The third principle which should guide our Canadian policy is that, as far as our military expenditures are concerned, extravagance and costly ventures should be avoided. In both cases, the minister could show much more firmness and caution.

• (4:30 p.m.)

The recent report of the Auditor General contained some unpleasant and disquieting surprises for all Canadian taxpayers.

For the fiscal year 1964-65, this report showed unauthorized expenses totalling about $23 million in the Department of National Defence. There is particular emphasis on unproductive expenses on a bombing computer and the Bobcat armoured carrier. But now someone with an objective and searching mind—I refer to the public accounts auditor—shows to the Canadian population that $23 million has been wasted.

Mr. Chairman, do you know what that means for the taxpayer, for the father who has an annual income of $2,500, $3,000, $3,500, for the unemployed, for the Quebec farmer whose income does not even reach $3,000 per year and who has a large family when they find that their country's government has wasted $23 million? That is why I suggest that the minister should establish in his department an organization for the control of expenditures and experiments.

[Mr. Allard.]

I know too well that the minister, with his heavy responsibilities, cannot see to everything, from coast to coast, 365 days a year. But it seems that there has been a lack of control for a very long time.

I remember that about 20 years ago, horses were put on the military pay list at Petawawa. There is nothing new in this way of wasting the taxpayers' money. Therefore, because of this waste, the minister should personally set up a control agency within his own department.

And the fourth principle is that the Departments of National Defence and External Affairs should work to build a sovereign, more independent Canada. They should try to give Canada a definite identity, avoid putting our country at the service of foreign countries, thus furthering their military purposes and economic ambitions.

What are the enemies of Canada, Mr. Chairman? Tell me. Personally, I do not know any. If we minded our own business more often, would we have enemies?

There we are with the United States, with England, in other countries.

Economic interests are often a source of conflict. Will Canada get involved in such things? If we minded our own business more, it would help Canada's identity and sovereignty. Moreover, it would enable us to keep more money for our people.

The fifth and last principle I want to mention is that the activities and extension of our national defence should not hinder the great role of mediator and peace maker that Canada is called upon to play in the world.

Thus a budget of $1,559,300,193 is excessive considering Canada's means and role. In the future, the government should consider a 40 per cent reduction of military expenditure and use these savings to fight poverty. That is the battle we should really be fighting, for indignation and rebellion will vanish along with poverty.

I wish to draw the attention of the Minister of National Defence to a certain matter in the county of Sherbrooke. In 1964, the minister closed the Sherbrooke university division of naval instruction which I had managed to establish in 1960. I must tell the minister that this was a great disappointment for the people of the county of Sherbrooke, the eastern townships and the province of Quebec.

The minister should consider re-establishing this training unit at the university for a

number of reasons; for one, it had a useful purpose.

When the minister reduced the strength of that reserve unit at the University of Sherbrooke, he should also have considered the strength of reserve units in the other provinces. Money had been expended on this unit and it should have been maintained in Quebec. It had the effect of encouraging Quebecers, particularly French Canadian students, to participate in the defence of their country. There were complaints in the past to the effect that French Canadians were losing interest in the defence of their country and were not doing their share. A great deal of efforts went into obtaining a naval reserve unit at the University of Sherbrooke, and now we are dealt this back-handed blow. Re-establishment of this reserve unit at the University of Sherbrooke would mean that French Canadian students would get their fair share.

[*English*]

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, earlier this afternoon the hon. member for Winnipeg South Centre made an appeal to history, always a very rash and dangerous thing to do. The hon. member's appeal to history was to prove what I suppose all of us know, that the history of mankind has been painfully bloody ever since it was first recorded.

But history can be appealed to in another way also, and I would suggest to the hon. member and to those who think like him that you cannot pick up the thread of history at this point and say that this is the end, that it is at this point that you will make your appeal. Because history will now tell us that never before in human existence have great powers had at their disposal such tremendous powers of destruction by which they may eliminate not merely civilization but mankind itself. This, I submit, Mr. Chairman, is the supreme fact of today, and it is a fact which is entirely overlooked by those who propose plans for military expenditures and those who criticize them on specific points.

It appears to me that this great fact of history renders virtually all this debate quite senseless, without value. It is sometimes imagined that science has placed tremendous power in the hands of the war makers, whereas I think we have already had historic evidence that, so far from doing this, the juggernaut of science and technology has overwhelmed war and military planners and renders and rendered them, helpless and impotent. Consequently we must get the idea through our heads, and the sooner we do so the better, that we must devise a reasonable and practicable method of dealing with our neighbours in this troubled world.

• (4:40 p.m.)

Let us examine for a moment, Mr. Chairman, the arguments that are advanced for Canada's so-called defence expenditures. I think they have to be divided quite sharply into two categories. One with which I propose to deal more extensively later is the category which concerns our commitments under the United Nations for peace keeping services throughout the world, and the other is as a contribution to the power of the great neighbour to the south, the United States of America, to aid it to contain communism and to protect the west from the evils of communism. Let us boil it down to real facts, because we talk about alliances, and so on. I suggest to you, Mr. Chairman, that this breaks down into a contribution to the power of the United States to protect the free world, and to another part where we should actually contribute forces which will be actually deployed in combat against communist areas of the world. I suggest that this is a very feeble argument, because any contribution that we can make on that score would be so minuscule as to be derisory.

We have passed the era in history where nations such as Canada can make a measurable contribution to the waging of war. Let us get that straight through our heads. Let us not look at the first or the second world wars, when things were different, because that is not the situation today. The argument is produced that the growth of armaments in the present world is due to their deterrent power. This may be true. Again, I suggest that Canada is in no position whatever to add to the deterrent power of the United States. In fact, it is ridiculous to suggest that we are in that position. The only occasion upon which that deterrent power has actually been deployed was during the Cuban crisis some two years ago when Canada was not even informed, let alone consulted. Our neighbour to the south realized that we could contribute nothing. Their deterrent power was the only power they had, and the only power with which they could accomplish what they sought to accomplish. Any contribution of ours would have been completely pointless and meaningless. I suggest it is in this context that we ought to be considering these defence expenditures.

I now want to return to the category I mentioned when I began speaking, the category of our contributions under our commitments to the United Nations. These, I think, are extremely important. I have had the opportunity of observing some of the forces we have deployed throughout the world in this work and have been impressed, as I am sure most members of parliament who have had that opportunity must have been impressed, by the manner in which the Canadian armed forces are carrying out their extremely difficult task. Nor would I suggest for a moment, sir, that we should consider reducing our role in this field. Rather I would suggest that these contributions should be made much more effective than they are at the present time. It distressed me when I was on the Gaza strip last year, or the year before last, to see that after eight years we were in precisely the same position we had been in at the beginning. There had been no advance. We had been acting as policemen to keep two possible combatants apart.

We have the same situation in Cyprus. I hear from reports which have come from Cyprus that the Canadian forces have played an outstanding role in keeping the potential combatants apart. However, in neither instance have any steps been taken to try to solve the political problem which has lain at the back of the military problem we have been trying to cope with.

I feel that this is the era in which Canada can play an important and decisive role in the world of today. I think it is a role that the men in our armed forces would welcome. We have heard a lot of talk about the low morale of the men in the Canadian armed forces. I do not know whether it is low, but I know this: I know that those with whom I have talked are very concerned as to what their role is going to be in the years to come, not merely from the point of view of whether they are going to have a job, or whether their careers are going to come to a satisfactory conclusion, but as to whether the work they will be engaged in is going to be of value.

I have taken the occasion whenever I have been overseas and have come in contact with men in our armed forces to try, if I can, to get some fairly high ranking air force officers to one side. I have succeeded in doing that on a number of occasions, and I have always put one question in which I have asked: "What do you think is the future for the Canadian armed forces?" Always, Mr. Chairman, I have had the same reaction. Always there is first of all a rather perfunctory genuflection toward our military commitments in NATO and NORAD, but always they have eventually come out of the bushes and said something like this: "We should be doing something that we do superbly well, and better than anybody else in the world. We should be concentrating entirely on supplying transportation, communications, and delivery of goods and materials to the forces of the United Nations throughout the world." Our armed forces are doing that today, and are extremely proud of the role they are playing.

Not long ago I was speaking to a number of students of the University of Victoria. I must say I was somewhat dumbfounded when I got to where I was to speak to have the young man who had asked me there tell me, in a rather embarrassed way, that 50 sailors from HMCS *Naden*, the Royal Canadian Naval Base outside Victoria, had come to hear my talk on Canada's foreign policy. They marched in shortly afterwards, took their seats, and I proceeded to outline what I thought should be Canada's role in the world of today. During the course of my speech I outlined particularly the role that the men in our armed forces should play in that regard, and I said to them that there was a very great part that they should play, if they were equipped to do so. I pointed out to them that one of the most important aspects of our foreign policy, and one which must be given more and more importance as the years go on, is the provision of technical and material assistance to the areas of the world that are now beginning to emerge into the twentieth century, and I could see no reason why the men in our armed forces should not be getting the extra technical and administrative training that would permit them to play an important role in the development of skills, financed and aided by our external aid program.

• (4:50 p.m.)

It seemed at that time that the sailors accepted this as something worth while. It was a relief to know that there might be some positive, worth-while role in the world, not merely a role of standing by out of fear that a catastrophe might overcome us, in which they might be the first victims. This would strike me, Mr. Chairman, as being a much more realistic defence program than one which is based on the outmoded idea that war is today a feasible or practical means by which to promote national policy. I think this is one of the things we must get through our

heads: War is no longer feasible; science and technology have overcome the war planners and rendered them impotent.

But science and technology have placed other weapons in our hands and there are innumerable places in the world where these weapons should be employed today. Sometimes we forget that there are more than two nations in North America. A month or two ago ago I visited the third, the nation of Mexico, a country upon which some of us have been inclined to look patronizingly perhaps, as one which has not been well developed and where there are vast differences between wealth and poverty. However, when I was there the Mexican budget for the current year was presented—and 80 per cent of that budget is being devoted to education.

I would suggest that on any scale of civilized values a nation which devotes 80 per cent of its budget to education is vastly superior intellectually and morally to a nation which devotes 25 per cent of its budget to a war which will never take place, or if it does, to a war which the contribution of that country would be pointless.

I would recommend to the Minister of National Defence—and I know he has done something along these lines—to set up a program of training the men in our armed forces to undertake such tasks as this. And I would suggest that he return to the treasury of Canada the vast bulk of the sums which have been provided in respect of what are useless expenditures, expenditures which can provide us with no real defence. Further, I suggest the establishment, for one thing, of a comprehensive program of administrative training for people in those areas of the world which are now emerging into the twentieth century. This could be merged with the role the men in our armed forces might well play in the world of tomorrow. If we could achieve this, we would have less antedeluvian talk about whether this weapon is better than that weapon. In the world of today no weapon is of any value at all in the face of the enormous, the devastating advances in science and technology.

Mr. Dinsdale: It has been some considerable time since I had an opportunity to take part in a discussion of defence. Unfortunately, in the limited time at my disposal this afternoon I shall be able to make only a few introductory remarks before we reach the hour of five o'clock.

It is not that my interest in defence matters has diminished over the years. I think my interest in the operations of the Department of National Defence has increased rather than diminished. The reason I have been less active in recent years is because of other responsibilities and because I personally got out of touch with the activities of the armed forces, having myself become obsolete in 1957. Up to that point I was active in the excellent MATP program as a reservist. But the year 1957 was the beginning of the streamlining process, which had become necessary within the armed forces of Canada by reason of the crash program launched in the early fifties consequent upon Canada's participation in the Korean conflict.

Immediately after the war we scaled down our armed forces to an irreducible minimum, as seems to be typical of the approach Canada has taken over the years in defence matters. As a result, by the mid-fifties we had built up a defence force of a comparatively large size upon the basis of what the minister of that day, Hon. Brooke Claxton, referred to as a crash program. Then it became necessary in 1957 to carry out some streamlining.

Since there have been bouquets handed around the chamber this afternoon, and the name of the present Minister of National Defence has been mentioned, together with that of the associate minister, I think I should pass a bouquet to a former minister of national defence, Hon. George Pearkes, who is really the man who began the streamlining process designed to increase efficiency in the armed forces. We are all aware of some of the strange anomalies which occurred during the early fifties as a result of the crash program. The situation produced errors of huge proportions, as well as humourous aspects. I refer of course to the Avro fiasco which was debated furiously in the house at one time, and also to the lighter incident, the famous "horses on the payroll" episode which the minister will remember so well.

The first point I wish to make is that Canada has had this "on again, off again" attitude toward defence matters for most of its history; we can look back over the history of the past 20 or 30 years and find this to be the case. While integration is important, and while it was initiated by the former administration, particularly by the minister to whom I have referred, I wish to point out that under the present minister there has been frantic haste and frantic public relations in the spirit of the 60 days of decision—an approach which has created

difficulties to which I will refer when this discussion resumes.

May I call it five o'clock?

Progress reported.

• (5:00 p.m.)

BUSINESS OF THE HOUSE

Mr. McIlraith: Mr. Speaker, I should like to say that after discussion with the house leaders of the other parties I have undertaken to ask that the private members' hour today be forgone and that we continue during the private members' hour with a discussion of the Department of National Defence estimates. Further, in order to overcome a difficulty that may arise in the next few days, I have undertaken to ask leave for unanimous consent of the house to proceed through all stages of a bill to amend the Electoral Boundaries Readjustment Act, which merely changes the period "within 15 days" as it appears in section 20 of that act to "45 sitting days", and which makes the amendment effective only on the current redistribution. The effect of this will be to allow us to proceed with the business of the house in an orderly fashion over the next few weeks.

If we have unanimous consent, Mr. Speaker, I suggest we could proceed with that bill now. I might add that copies of the bill in English and French are available for hon. members.

Mr. Deputy Speaker: Does the house give unanimous consent to suspend the private members' hour at this time?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Does the house give unanimous consent to revert to the introduction of bills?

Some hon. Members: Agreed.

REDISTRIBUTION

AMENDMENT TO EXTEND TIME FOR CONSIDERATION OF OBJECTIONS

Hon. G. J. McIlraith (Minister of Public Works) moved for leave to introduce Bill No. C-126, to extend the time for consideration of objections pursuant to section 20 of the Electoral Boundaries Readjustment Act with respect to the reports of commissions established for the decennial census taken in the year 1961.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall the bill be read a second time?

[Mr. Dinsdale.]

Some hon. Members: Now.

Mr. Deputy Speaker: By consent, now.

Mr. McIlraith 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.

On clause 1.

Mr. Aiken: May I ask the house leader, just for clarification, whether the amendment that is being proposed will be a permanent amendment to the act?

Mr. McIlraith: No, Mr. Chairman, its effect is limited to the current redistribution.

Mr. Aiken: Thank you.

Mr. Herridge: May I ask the house leader whether, when the proposals for amendments to the electoral boundary districts come before the house, hon. members will have an opportunity to speak to a motion recommending changes in this respect?

Mr. McIlraith: If I understood the question correctly it was whether hon. members would have a right to speak to the motions presented by way of objection to the reports of the redistribution commissions. If I understood the question correctly, the answer is yes.

Clause agreed to.

Title agreed to.

Bill reported and read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Batten 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 $2,560,546,715 for the purposes of Votes 1, 5, 15, 20, 25, 30, 35, 40 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 $1,044,262,000 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 in respect of assistance rendered to the United Nations, any party of the North Atlantic Treaty Organization or any provincial or municipal government, $5,204,855.

Mr. McIlraith: Mr. Chairman, I would like to take this opportunity to thank hon. members of the committee for their co-operation when we were sitting in the whole house.

Mr. Dinsdale: Mr. Chairman, I am sure the same spirit of co-operation will continue as we resume discussion of the defence estimates. At five o'clock I was indicating that because of the frantic haste generated by the slogan "60 days of decision", the changes that were taking place in the armed forces over the past seven or eight years reached such a speed that the difficulties already referred to by previous speakers were inevitable. I refer, of course, to problems of morale and problems of confusion.

It is difficult, both for hon. members and the press, to receive concrete information on the changes taking place in the department as a result of the stepped up program of integration and the secrecy that must prevail. As a consequence it is necessary for ordinary members to get the information, as it were, through the back door. One of the sources of information I find most useful and helpful with respect to this problem of morale, and the uncertainty and confusion in the armed forces, is to attend receptions. When the conversation becomes animated, when the inhibitions are lowered, then in talking to people who are closely associated with our defence forces we discover all is not as rosy as the picture painted by the minister in his speeches both here and across the country.

• (5:10 p.m.)

As I have pointed out, we in the Conservative party believe in orderly change. Certainly as a result of the confusion in the early 1950's a change was long overdue. However, if you are going to have orderly change it cannot take place overnight but should be done on the basis of long term planning. For instance, you might map out a five or ten year plan, particularly when there is going to be a comprehensive program of reorganization. From talking to people closely identified with Canada's forces I have the impression that there has been a slamming together—even a knocking of heads together—which has left some of the persons involved somewhat stunned.

I think the minister has given us a clue to this situation in that every statement he makes is full of optimism. There seem never to be any problems to be confronted or solved; everybody is moving smoothly toward the ultimate purposes the minister has in mind. In other words all is for the best in the best of possible worlds. When things move as smoothly as that we are reminded of the words of Shakespeare when he said: Methinks he doth protest too much. In no field of human endeavour, particularly in public, political and military life is it possible to conceive of a situation where everything is ideal and no problems exist. The minister is like a salesman who talks beyond the sale. In attempting to make a sale he keeps on extolling the virtues of the product. I think because he is so importunate in this matter there is reason to be suspicious of what goes on behind the façade that has been erected.

Perhaps I may use another simile, Mr. Chairman, and go back in Greek mythology to Procrustes, who tried to make every traveller fit his magic bed, with the loss of course of a few limbs, heads and lives. The minister in attempting to make everybody fit into the pattern he has devised in reorganizing the armed forces has not lost any limbs, heads or lives, but obviously he has lost a considerable number of personnel. I suggest, as others have suggested, that this is indicative of problems of morale, confusion and frustration resulting from the 60 days of blazing decision atmosphere that has prevailed in the Department of National Defence.

Psychologists carry on tests with animals and have found that one sure way of creating disorientation is to subject these animals in experiments to constant and rapid change. I think that is the difficulty which prevails in the armed forces at the present time.

We are not sure even after the White Paper and the deliberations of the committee, on which I have not been privileged to serve in recent years, how far the minister intends to go in his reorganization; whether he is going beyond integration to unification. This is still a matter of debate, although I noticed in his statement yesterday that he did use this phrase, as it appears on page 1417 of *Hansard*, that the various services—

> —would be integrated on a functional basis as a first step toward a single unified defence force for Canada.

We will be able to consider these matters later in the committee, but I question whether complete unification is in the best interests of Canada's armed forces. What is needed is unity of purpose and motivation. That must be a requisite to the maintenance of morale in the armed forces. If you try to press, by force, every branch of the armed forces into one common mould you are going to get monotony and frustration rather than strong morale and motivation.

We do not need similarity of colour and structure to meet Canada's defence requirements, we need flexibility. Flexibility is not

usually achieved by reconstructing ourselves into one organization as one unit with one system of operations, logistics and all the rest of the paraphernalia. We must have sufficient diversity of background and approach to provide the greatest number of solutions to meet our problems lest, to use a famous quotation, one good custom corrupts the whole world. This sort of regimentation toward solidarity and uniformity is bound to destroy the high morale and spirit of the armed forces. I think this is the major difficulty which is of concern to Canada's forces at the present time. I am not going to pursue that matter further, but I should like to mention one other point very briefly.

By the program that is under way are we not tending to reduce the Canadian defence forces to the role of a glorified police force? I know the minister is aware of this danger because I recall reading an article which appeared in the armed forces magazine in 1964 regarding the minister's approach to greater efficiency and reorganization in the armed forces. At page 54 of that publication the minister is quoted as stating:

> The surest way to lose our sovereignty is to have someone else do our fighting for us.

I understand from that statement that the minister is fully aware of Canada's unique position which established Canada historically and geographically as a nation. It is almost trite to say that we are a nation because of a freak of history, because of an accident of history and circumstance. As we look at the pattern that has unfolded in the past three years during the administration of the department by the present minister and the Liberal government we get the impression that even though he uttered that warning not to have someone else do our fighting for us, he is unwittingly falling into that very error.

• (5:20 p.m.)

It is obvious to everyone that there are strong American overtones within Canadian defence policy not only in terms of equipment, to which reference has been made by at least two previous speakers, but also on major policy matters. For example, Mr. Chairman, there has been kite flying recently about the possibility of organizing a marine corps along American lines in the Canadian forces. I think it would not be boasting on my part to indicate that the Canadian armed forces in world war I and world war II achieved fame and established a reputation that would be equal to if not beyond that established by the famous United States marine corps. I could refer to many incidents in this regard from world war II, such as Dieppe and the various campaigns of that most recent conflict.

[Mr. Dinsdale.]

The minister when in opposition was aware of this problem because, as the hon. member for Winnipeg South Centre pointed out in his remarks he criticized the Conservative government for its tendency to accept the obsolete hardware—that is the word the minister likes to use—of the American armed forces.

This is not the time to resurrect the famous nuclear arms question, but I have always regarded the essence of the nuclear arms controversy of 1963 as being whether Canada should maintain its important posture of sovereignty or knuckle under to the dictates of another nation, in this instance the United States government.

I believe that the stand the Conservative government took at that time was in the best interests of preserving Canada's sovereignty and national identity in the face of the pressures that are constantly pushing in on us from the south.

So, as we move toward armed forces solidarity, as we move forward to create this highly trained, mobile, air-portable striking force, I believe serious second thought should be given to whether Canada is not abandoning completely its role of defence forces and substituting rather a role of a glorified police force. It seems to me that while we must have a bit of both, the fact that morale in the armed forces has declined in recent years would suggest that the defence and fighting role is diminishing at the expense of the glorified police force role.

I should like to make just one more observation, Mr. Chairman, in reference to the air force. As a former member of that service I should like to point out to the minister that integration in the R.C.A.F. can only be achieved to a limited degree. Certainly you can have integration at the training level. This of course was demonstrated in the early reorganization which took place back in 1957, 1958 and 1959, I believe it was, when all military flying training was taken over by the R.C.A.F., even to the extent of removing the training of air observer pilots from the various Royal Canadian Flying Clubs which had done an excellent job up to that point. But beyond this level the problem becomes rather complicated.

With reference to the CF-5 discussion that is under way in the house and the country at the present time, the surest indication that this plane has deficiencies, which have been pointed out in press comments, is the fact that there is to be no simulator provided for training. The minister likes to use the phrase that weapons systems have become sophisticated and complex. One of the reasons for phasing out air force auxiliary training, for example, was that the planes, weapons systems and techniques had become so sophisticated and complex that it was no longer possible for we reserve types to maintain a level of operational efficiency.

Whatever might be the qualities of the CF-5 aircraft—and the minister, again, has gone into rhapsodies concerning the qualities of this airplane and has been so extravagant in his claim for its merits that I am persuaded to be somewhat suspicious—I have no doubt that some problems do exist in this regard. From my experience any new aircraft, even the old, unsophisticated aircraft of world war II, the introduction of any new aircraft—even a modification or a new mark of an existing aircraft—has always produced a whole new generation of gremlins.

I do not know whether the minister has heard of gremlins, but it would seem to me that the CF-5—and we will no doubt get some further information in the committee on this matter—must be an aircraft that is particularly infested with this mysterious creature.

Coming to the question of the simulator, Mr. Chairman, it is well established in flying training procedures, particularly with the complexities of modern aircraft, that you cannot carry on an adequate training program without some sort of ground simulated training. The very fact that Canada has decided to withdraw from the contract for this simulator would suggest that the Americans have decided that this aircraft is not suitable for operational purposes.

Just a short time ago the Associate Minister of National Defence suggested that many CF-5's had been sold to other countries. If there is such a demand for this aircraft it might still be possible, to proceed with a simulator. You will not achieve an adequate training program if you depend entirely on airborne training procedures. Not only is it expensive but it is highly inefficient, because only on the ground, in a ground trainer or a simulator can you get the controlled situation that is necessary to train aircrew in the first instance and is then necessary to maintain operational efficiency.

Even in world war II, with relatively slow aircraft and relatively unsophisticated techniques, aircrew were not allowed to fly operationally until they had a minimum of one hour in the Link trainer before going on ops. I am referring to night fighter pilots, who had a particularly difficult problem to cope with in terms of instrument flying. But again, we have made such tremendous advances since world war II that I would suggest to the minister that if he persists in going through with the purchase of the CF-5 he should re-examine this question of the availability of a simulator.

To sum up—and I think my time has expired, Mr. Chairman—I should just like to repeat what I said in the opening part of my remarks. I would suggest to the minister that if he wants to overcome the obvious difficulties that prevail in the Department of National Defence at the present time he should give the command structures a chance to gel and work out the kinks before going any further.

• (5:30 p.m.)

Let us lay down some five year plans; let us lay down guide lines. It is not good enough to reorganize armed force headquarters and then give the command to integrate. It is all fine and good to go through the motions of integrating, but you have to provide guide lines, otherwise you get a glorified situation of confusion. You are dealing with human beings who can only adjust at a certain rate of speed. We all know that perhaps the armed forces are a little more rigid in this respect than any other type of human being. You have to take into consideration the psychological factors in the field of human adjustment. I know, as a member of the opposition, that this is a difficulty that has bothered them, that is gnawing away at the members of the armed forces. This is what is destroying the morale of the armed forces at the present time.

The minister made reference yesterday to economy in the armed forces. Perhaps he might find greater success in achieving real economies if consideration were given to managerial systems in connection with budgeting, tendering and the other aspects of defence planning, which obviously have not been under control in years gone by. I need refer only to the Avro fiasco to point out the situation which has prevailed and which no doubt has prevailed up to the present time to

a substantial extent. If we are going to have efficient and effective armed forces, we must retain unit spirit; we must retain opportunity for promotion; we must retain opportunity for competition. Otherwise I am afraid the Canadian armed forces are going to decline in efficiency, to degenerate in effectiveness, rather than move forward along the lines that were first contemplated when Hon. George Pearkes set this machinery in operation.

Mr. Brand: I have just a few remarks to make, Mr. Chairman, particularly with regard to the morale problem in the armed services. My comments are not made as a result of information I have received from various assistants. I am speaking now at the request of many members of the armed forces who have approached me personally and expressed their concern about the way things were going in the armed forces today. They themselves offered to me what I thought might be solutions to these problems. If I may be presumptuous, perhaps I could suggest to the minister what the solutions might be.

Primarily, I should like to refer to jet pilots in the Royal Canadian Air Force. I placed question No. 419 on the order paper, which read as follows:

What are the numbers of R.C.A.F. jet pilots under the age of 28, who have retired voluntarily from the R.C.A.F. in each of the following years—

The years mentioned were 1957 to 1965. I think the figures are most interesting. You will notice that in the year 1957, only 4 retired. In the following years there were 3, 1, 8, 7, 6 and 8. In the year 1964, there were 26 who retired. These are highly trained specialized members of the Royal Canadian Air Force who retired voluntarily. They are young men, still under the age of 28. In the year 1965 there were 27 who retired voluntarily. There must be a reason for this. The reason they retire under the age of 28 is that in order to get a job in civilian aviation in the United States, where most of them have gone, they have to be under the age of 28.

I spoke to many of these pilots and asked them why they were leaving the Royal Canadian Air Force. The first thing they said was they liked the Royal Canadian Air Force; they enjoyed the life. However, they were concerned about the security of their tenure. Many pilots had been retired by the minister, at the minister's orders, as I understand. These pilots wondered whether they could get a permanent commission in the force. They never received a positive answer. They did not know whether they were still going to be pilots when they were in their thirties.

If they were let out of the air force when they were in their thirties, what would happen? They would be out in civilian life with no job, and there would be no job for which they were qualified. They would be too old to go into the field of flying passengers for large air lines, unless they were exceptional. The average man is just too old for this work. He has had tremendous training which I understand costs, if I heard the minister correctly, between $200,000 and $250,000. If we lose to the United States 26 pilots, each of whom was trained at this cost, then we have lost $7½ million or more to the United States.

When I heard that they did not have training which they could use in civilian life, I asked these pilots what they felt should be done. They had what I thought was a very good solution. They suggested that perhaps their training could be tied to a university, which it most certainly is in the type of work they do in the aeronautical engineering field, and while they were training with the air force they could receive a degree from some affiliated university.

Then, if these men were retired at an early age from the R.C.A.F. they would have a degree with which they could approach prospective employers and obtain a job in this manner. There is a precedence for this in the armed forces colleges which grant degrees in engineering and so on. I feel the idea has some merit, Mr. Minister, and I should like the ministry to look into this matter, and particularly to discuss it with the men who are thinking of leaving. Perhaps these discussions would be most revealing.

When I heard the associate minister refer to the increased number of voluntary releases over the past few years from all the forces, and attribute this to increasing opportunities for employment in the country, I began to wonder if that was not more the type of statement a person would make on the hustings before an election campaign. It seems to me that directly tied with that statement is the opposite one that by virtue of their training they are unable to get employment in civilian life.

Today we heard the associate minister say there are increased re-employment opportunities. I have talked to members of the Royal Canadian Navy and the Army and I have

asked them why they left the forces. Their reason was dissatisfaction with what is going on; they did not know what the future held for them. Believe you me, Mr. Minister, if this is not a morale problem I do not know what else you could call it. There is something very wrong indeed when there is this sort of increase in voluntary releases, as the associate minister pointed out.

• (5:40 p.m.)

There is one other point I should like to make. Both ministers have commented on the tremendous economies effected as a result of this integration of the armed forces. I am sure there are many areas in the armed forces which for many years have required integration. I certainly agree with this and the general tenor of what has been done.

However, when I look at the estimates at page 252, it seems to me, though I am not a chartered accountant and perhaps cannot understand this, that instead of a decrease in 1965-66 over 1964-65 there are increases all the way down. I see one decrease, and that is with respect to mutual aid.

I would ask, what about this efficiency we keep hearing about? I also see a decrease in pensions, due to efficiency I presume. But in every other item there is an increase, with perhaps one exception. The amount of money paid for the permanent personnel of the army has increased, and the navy is about the same. If I remember correctly, the amount to the air force has gone down, which is directly related, I presume, to the number who have left the air force as a result of voluntary release and other releases practised by the minister in his wisdom.

I would ask the minister whether he would consider looking very carefully once again at the loss of these highly trained personnel. I do not think the Canadian tax dollar should be used to provide men to fly aeroplanes in any other country than our own. This is something that I am sorry to say extends to other fields in our country as well as national defence; but surely it is something to which we should not turn a blind eye. I suggest we examine this problem as closely as possible to see what we can do to retain these highly trained people. Although the re-engagement bonus is a wonderful idea—and I agree with the hon. member for Victoria (B.C.) that it is not enough—this is surely closing the stable door after the horse is stolen.

I should like the minister to look into the reasons for this and perhaps come up with some conclusion which would be to the benefit of all armed forces in Canada today.

Mr. Herridge: Mr. Chairman, I do not intend to speak at any length but I do want to express our point of view on one or two matters.

First of all, the minister's defence policy reflects our Canadian foreign policy, and he has to adjust his defence policy to our foreign policy. To that extent his hands are tied, and we know it. We give the minister full credit for any savings accomplished as the result of integration, changing circumstances in the world today, improvements in technology and customs, and so on.

However, from our point of view the formulation of defence policy for Canada is more difficult than it is for many countries. Our defence policy, as we see it, in some respects does not add to our national security.

I want to bring to the attention of the minister an article I read recently in the *Globe Magazine* written by Professor Eayrs, an economist at Toronto University. I suggest the minister would be well advised to read it, because there are some good suggestions in this article, some of them critical of the defence department's policies. I think there is a great deal of thought behind it.

I might say that in conversations I have had with people I have met who are interested in our foreign policy, our defence policy and so on, there has been growing criticism of the amount of our expenditures on defence at this time—the expenditure in our budget which has been going directly for military purposes and which is not being used in other directions.

This article is entitled "Canada's military establishment: a waste of money?" Then there is the subheading:

> Politics, rather than strategy, has guided the nation's defence policies, says a political economist who suggests military spending could be cut by two thirds.

I should just like to quote two or three paragraphs from this article; I hope the minister will read the rest of it.

> I began by stating that the formulation of national security policy is made more difficult for Canada than for most other countries by the fact that what we do in the name of our own security demonstrably does not contribute to our security. Our contribution to North American defence has been undertaken largely for political reasons, and has had less to do with Canadian-Soviet relations than with Canadian-American relations: moreover,

our contribution has been marginal throughout most of the past and, citing McNamara's testimony, is likely to become less significant in future, as the threat of bomber attack recedes and as anti-ballistic missile defences are perfected. Our contribution to Western European defence is largely symbolic—

I have heard similar statements made by persons well acquainted with military affairs in Europe.

—and its rationale must be provided by a series of arguments which can hardly be tested and never be proven. The use to which we might put our military establishment in maintaining order along the peripheries is severely restricted both by our own internal inhibitions and by developments in the environment of interposition over which we have no control.

Then he goes on to say:

My own feeling is that we have been paying too much for it—much too much. I would think that a really ruthless Minister of National Defence could justify a military establishment for Canada costing no more than about one third of its present annual upkeep—about $500 million—without worrying that his countrymen would fall prey to aggressors as a result.

Then he goes on to develop his argument.

So that there is no misunderstanding as to what is our policy in this respect, I wish to quote what it is. The minister will understand that I am quoting the New Democratic party policy with respect to defence. I am going to refer to the program which was adopted at our August 4, 1961 convention, at the Regina convention in August 1963, and of course carried on to our last convention. This is what our program says:

NATO has played its part in the maintenance of west European security. However, it has concentrated on a military role and has failed to adapt its policies to the growing importance of the economic and social front in the present world struggle. The New Democratic party believes that we should seek a reappraisal and change of NATO's policies and objectives.

The New Democratic party believes that the extension of nuclear weapons to any further states and alliances threatens disaster to the world. It therefore opposes Canada's troops being supplied with such weapons at home or abroad. At present, except for those nations which have independently developed atomic capacity, neither NATO itself nor its members individually possess or control nuclear warheads. Should they do so, Canada, must make it clear that it cannot remain in the alliance. To relieve tensions, Canada should press for a demilitarized zone in central Europe and for the simultaneous disbandment of the Warsaw and NATO pacts.

That is the position of this party with respect to our continued support of NATO. I presume the minister will agree that NATO is a nuclear power or component part. I see the minister nods his head.

[Mr. Herridge.]

Mr. Hellyer: It is a nuclear-armed alliance.

• (5:50 p.m.)

Mr. Herridge: Yes, I think that is a better description. I understand his position in view of these changing developments.

Then we go on with the other questions relating to our policy. We are told that the New Democratic government will make a general and searching reappraisal of Canada's defence role. Much of the money which Canada now allocates to defence could better be spent on providing such conventional troops and civilian personnel as the United Nations may require, and on aiding underdeveloped countries.

We believe in maintaining efficient defence forces in Canada, to provide for the defence of this country. We also think that we can provide troops that should be utilized by the United Nations anywhere in the world, with the transport that should be necessary, and other materiel and equipment that might be required. We also would agree to our naval forces being used in patrol of the seas, off both our coasts.

Then we go on with the question of NORAD. I am quoting from the New Democratic party program, page 51 which reads as follows:

It is questionable whether NORAD ever made any significant contribution to the defence of Canada and in any case it has outlived its usefulness. Furthermore, there is every danger that the Bomarcs will be equipped with nuclear warheads. The NORAD agreements should therefore be terminated.

That is the attitude of the New Democratic party with respect to NORAD. I continue to quote:

The New Democratic party demands an immediate ban on nuclear tests, both to avoid the dangerous effects of fall-out and as a first step toward nuclear disarmament.

Then we go on to deal with it.

We believe that that should be our defence policy. I fully admit that the minister has to give effect to a defence policy which reflects foreign policy, because he knows that we stand for an independent foreign policy for Canada which is western oriented. We believe that we can make a worth-while contribution to the development of peace in the world by providing what we would term the police force necessary to police the world. I think my hon. friend from Brandon-Souris rather objected to the words "police force". We will be very happy if we can refer to the forces of the United Nations being used as police forces anywhere in the world, rather than as armies, navies, and air forces.

In addition, I understand that we ought to be able to save our present costs of maintaining our forces in NATO, which I understand amounts to $500 million a year. Is that correct, sir?

Mr. Hellyer: I should not want to comment on the figure.

Mr. Herridge: The minister does not want to comment.

Mr. Hellyer: It depends how you apportion it.

Mr. Herridge: I used the figures that I read. However, here we are denying to our old age pensioners an increase of $25 a month.

We are very concerned about the education of our young people. We, in the New Democratic party, suggest that we could use this approximate sum of $500 million a year for those purposes. In addition to that, other savings could be effected. These could be achieved by a change in the requirements for foreign forces and defence policy, to provide greater economic aid to those areas that require it throughout the world.

Mr. Churchill: Would the hon. member permit a question? He used the phrase, that there would be a savings of $500 million a year. I suggest that no actual saving is to be effected anywhere. Did the hon. member not mean that the defence estimates might be reduced by that amount and be available for these other purposes?

Mr. Herridge: Yes, possibly I did not use the correct words. The reduction of $500 million could be applied to the uses I have suggested. Of course there would be other savings brought about by reduced need for expensive equipment, such as landing ships, and so on, for which at present we have to pay. That would be reduced by a certain proportion.

Mr. Crouse: Mr. Speaker, I wish to speak briefly on the minister's estimates presently before the house. In his opening remarks he used, in effect, these words: The fact that our progress toward a completely unified force is well in advance of what might be hoped for reflects the spirit of enthusiasm in our task which has been undertaken. It is evident, Mr. Chairman, that this spirit of enthusiasm is not shared by the enlisted personnel of our armed forces as evidenced by the manner in which they are presently forsaking the services. I would say to the minister that his program has not been one of integration, but one of interruption or, as my colleague suggests, one of disintegration. We have had interruption of the planned program in the navy. We have had interruption of personnel enlistment. We have had interruption of the role of the Royal Canadian Air Force, as the supporter of Canada's mobile defence force. I believe that Canadians generally are beginning to wonder just what is happening in our defence department.

For example, no keel has been laid for a service vessel since the minister introduced what is commonly called in Nova Scotia the "Hellyer plan". He has yet to produce one practical alternative for defence in mine warfare. He started a program to cut back personnel, which snowballed to the extent that our services are now suffering from manning problems. As a result we see him introducing a re-enlistment bonus program. I am pleased to note this, because I would point out to the minister that this was proposed by the Progressive Conservative party when we met at Moncton, prior to the election of 1965. We are happy to endorse this. I think it will be helpful. I am glad to see that the minister has adopted in one of his policies something previously advocated by Progressive Conservatives.

Under the economical guidance of the minister the department made a decision to buy 125 improved versions of the Northrop CF-5. This, I understand, will be the R.C.A.F.'s new multipurpose aircraft which will be acquired at a cost of $215 million to the Canadian taxpayers.

Just how good is this aircraft? In a recent exchange with the Associate Minister of National Defence in regard to this subject I learned that this aircraft is to be modified. Apparently there is need for a great many improvements. We are told that the United States defence department rejected this aircraft after carrying out extensive proving trials with a number of them. The faults listed were not all in keeping with Canada's international or intended role, for which purpose this aircraft is being bought.

The CF-5 is intended for deployment anywhere in the world in support of Canada's mobile defence forces. However, according to all reports it is difficult to refuel this aircraft in flight. Four of these aircraft made the trip from the United States to Iran, taking eight days in transit, with ten refuelling stops.

The minister and the Associate Minister of National Defence have stated that this aircraft can take off from short clearings in fields. However, I am informed that because of its underslung bomb load, necessitating a perfect runway, it requires greater length of runway than an Air Canada DC-8 jet. Even operating from perfect airfields, which might be few and far between in brush-fire wars, the aircraft is limited, with a moderate bomb load, to a range of 180 miles.

The Minister of National Defence has been careful to deny that at the present time there is a problem respecting morale in his department. However, the numbers of men receiving discharge in the last 18 months, being some 13,142 who have retired from the defence forces prior to normal retirement age, would indicate that he has been singularly successful in producing rivalries long forgotten in the Canadian services. His policies have caused discontent among the troops. He has disrupted planned programs in the navy, setting construction back by at least five years, with no clear objective. He has generally made so many serious errors in judgment, such as the retirement of 500 pilots who now are required by the Royal Canadian Air Force, that there seems little reason, except the old school tie, for him to hold his post.

• (6:00 p.m.)

It is readily understandable that the navy, in the Atlantic provinces, and especially in Nova Scotia is our prime concern. However, what did the minister do? He cancelled the general purpose frigate program and then, many months later, he produced another, smaller construction program. But to date no action has been taken.

In his so-called wisdom he decided a minesweeping capability was not required by the R.C.N., so he mothballed every minesweeper in the fleet. I ask him this: What alternative is he going to introduce in place of these minesweepers? It is true that if he keeps on at this present pace it may well be that Canada will not have any navy to protect against mines. But we do have a large and growing wooden and steel fishing fleet, and in time of war these ships would be entitled to some protection, if they are to be expected to continue producing food for the nation.

The minister stated today that our six squadrons in Germany will be fully operational in the non-nuclear attack role as well as in the nuclear strike role. However, I think he should give us a clear explanation of what is being done in support of our NATO requirements. Does this mean we have now gone full cycle and become a non-nuclear power? Will the Bomarcs in Canada be scrapped, or will this arrangement be expanded, with Canada becoming part of an anti-missile missile system?

There are many other questions I could put to the minister but I see it is six o'clock. I hope he will answer some of those I have been able to pose during the short period of time at my disposal.

Mr. Nowlan: May I call it six o'clock?

Mr. Hellyer: I understood there was some general feeling that we might finish tonight —that it had been discussed earlier.

Mr. Churchill: Misinformed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: I should like to ask the Minister of National Defence about the business for Monday. I understand there will be a continuation of discussion of the estimates of the Department of National Defence followed then or later by the estimates of the Department of Justice. Is that correct?

Mr. Hellyer: Yes, that is the intention, if that is agreeable to the committee.

It being six minutes past six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Monday, February 21, 1966

The house met at 2.30 p.m.

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

OBJECTIONS RESPECTING PROPOSED DISTRICTS IN ONTARIO AND QUEBEC

Mr. Speaker: It is my duty to inform the house that seven objections have been filed with me pursuant to section 20 of the Electoral Boundaries Readjustment Act, chapter 31, Statutes of Canada, 1964-65 with respect to the reports of the electoral boundaries commissions about the following ridings:

(a) Saint-Henri—signed by the hon. member for Sainte-Anne and other hon. members;

(b) Maisonneuve—signed by the hon. member for Maisonneuve-Rosemont and other hon. members;

(c) Ottawa-Carleton—signed by the hon. member for Russell and other hon. members;

(d) Wentworth—signed by the hon. member for Wentworth and other hon. members.

(e) Rimouski—signed by the hon. member for Pontiac-Témiscamingue and other hon. members;

(f) Beauharnois, Chambly, Laprairie, Longueuil and Saint-Jean—signed by the hon. member for Châteauguay-Huntingdon-Laprairie and other hon. members;

(g) All ridings in the province of Quebec—signed by the hon. member for Châteauguay-Huntingdon-Laprairie and other hon. members.

If the house will agree, I suggest that we again follow the procedure already used during this session so that the text of the objections, together with the names of the members who signed them in each case will be printed as appendices to *Votes and Proceedings* for this day. Is it agreed?

Some hon. Members: Agreed.

[*English*]

THE LATE HON. PAUL COMTOIS

EXPRESSIONS OF SYMPATHY ON DEATH OF LIEUTENANT GOVERNOR OF QUEBEC

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am sure all hon. members of the house were deeply grieved this morning to learn of the tragic death of the Queen's representative in the province of Quebec, Hon. Paul Comtois, made all the more tragic because of the shocking circumstances of his passing. I am sure all hon. members would wish their sympathy to be extended through you, Mr. Speaker, to Madame Comtois and the members of her family.

Many of us here knew Mr. Comtois, particularly during the years when he was a member of this house and Minister of Mines and Technical Surveys in the government of my right hon. friend the Leader of the Opposition (Mr. Diefenbaker). He was a man of kindliness, courtesy and quiet effectiveness in his work, and he was liked and admired by all who knew him.

His public service to his community, to his province and to his country, particularly to the rural population of the province of Quebec, was long and varied; as an agronomist, as mayor for many years of his parish, general manager of the Quebec Farm Credit Union, member of parliament, cabinet minister, and since October 1961 lieutenant governor of his province.

It is always sad, Mr. Speaker, when a distinguished and fruitful career is suddenly ended. It is doubly sad when it ends in such tragic circumstances. So we lament the passing of a good man and an unselfish and devoted public servant.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, Hon. Paul Comtois was, as the Prime Minister said, a man of unusual courtesy and kindness. He was a man of great dedication, a worthy representative not only as a minister of the crown but also as lieutenant-governor of his province.

I recall very well the first mention to him that his name might be considered. The ministers of the crown and members of the then opposition were on the way back from Quebec following the funeral of Hon. Onésime Gagnon, who had just passed away. When a lieutenant-governor dies the appointment of a successor cannot be delayed. The appointment must be immediate, otherwise the business of government within a province ends, there being no means whereby an administrator or enacting official can be appointed.

The Late Hon. Paul Comtois

I was naturally wondering who could fill this position in a manner that would bring honour to it. His name came to mind and I spoke with him. He immediately said he could not believe that he would be considered capable, or as possessing those qualities necessary in a lieutenant-governor. I indicated, as the Prime Minister just has, that no one had greater interest in the field of agriculture than did Hon. Paul Comtois combining also qualities of deep humanity, personal sympathy, understanding, loyalty and courage.

[*Translation*]

Mr. Speaker, Hon. Paul Comtois was my friend. I have always had great admiration for him and held him in high regard.

His sudden and tragic death plunges us all in grief, and for his family, his province and his country, this is an irretrievable loss.

[*English*]

We mourn his passing. We who knew him in the House of Commons knew something of the depth of his humanity. The Prime Minister's tribute is not merely a formal one but represents the feelings of all who were honoured to know him in life.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the members of the New Democratic Party join with members of all parties in this house in expressing their deep regret at the unfortunate tragedy which has caused the death of the Lieutenant-Governor of Quebec, Hon. Paul Comtois. He had the distinction of serving in this house as a minister of the crown and more recently as the Queen's representative in Quebec. It is unfortunate that his career should have been cut off in so tragic a manner.

During almost every week in Canada there are fires which take the lives of men, women and children. It is only when some exalted personage has lost his life in such a tragedy that it is brought home to us just how many of these fires there are, and how many lives are lost. I hope this tragedy will have some effect on the public. I hope there will be greater demand for more stringent application of fire regulations throughout Canada, because of these tragic losses that happen so frequently and so unnecessarily.

Mr. Speaker, the members of this party would like to convey through you, sir, their deepest sympathy to Madame Comtois, her family, and to his former colleagues in this house on the loss of a good friend and a distinguished Canadian.

[Mr. Diefenbaker.]

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, Hon. Paul Comtois was favourably known in the province of Quebec and throughout Canada because of his numerous activities in the interest of his fellow-citizens. He had everyone's esteem and all were his friends. In the province of Quebec, he discharged the duties of lieutenant-governor admirably well and to everyone's satisfaction.

We, in this corner of the house, offer our condolences to the members of the family of the former lieutenant-governor of Quebec. The tragedy which occurred in Quebec last night will remain present in our memories for a long time.

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, both personally and on behalf of the members of the Social Credit party, may I say that we join with the other members of this house in expressing our sorrow and regret at the passing of the Lieutenant Governor of Quebec.

We regret that a public official of his stature and calibre should be removed from the scene of duty in such unfortunate circumstances. To Madame Comtois, his widow, to the members of his family, to the government and people of Quebec, we extend our sincere sympathy and join with all hon. members in expressing our sorrow at the loss of a lieutenant governor who has served the Canadian people so well.

BRITISH NORTH AMERICA ACT

AMENDMENT RESPECTING GROUNDS FOR DISSOLUTION

Mr. G. H. Aiken (Parry Sound-Muskoka) moved for leave to introduce Bill No. C-127, to amend the British North America Acts, 1867 to 1965 (grounds for dissolution).

Some hon. Members: Explain.

Mr. Aiken: The main purpose of this bill is to provide that following a general election parliament shall continue for a period of four years except where the government has been defeated on a general vote of non-confidence.

I gave a fuller explanation in my remarks during the debate on the address on January 31, as reported at page 448 and subsequent pages of *Hansard*.

Motion agreed to and bill read the first time.

CANADA PENSION PLAN

AMENDMENT EXTENDING BENEFITS TO PRESENT PENSIONERS

Mr. Steven Otto (York East) moved for leave to introduce Bill No. C-128, to amend the Canada Pension Plan (provision for retired persons).

Some hon. Members: Explain.

Mr. Otto: I need not explain to you, Mr. Speaker, or to anyone in this house the extreme hardship which is faced by old people who are living on their present pensions.

Mr. Knowles: How did you vote?

Mr. Otto: The purpose of this bill is to entitle all pensioners to take advantage of the Canada Pension Plan and to get the benefit of the plan immediately.

Motion agreed to and bill read the first time.

CRIMINAL CODE

AMENDMENT RESPECTING PEACEFUL PICKETING

Mr. David Lewis (York South) moved for leave to introduce Bill No. C-129, to amend the Criminal Code (modernization of law of picketing).

Some hon. Members: Explain.

Mr. Lewis: Mr. Speaker, this a proposed amendment to section 366 of the Criminal Code which is intended to make peaceful picketing by any numbers lawful, and to make clear that picketers may also seek to persuade others to assist them in their cause in the case of a strike, rather than merely conveying information.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

INVITATIONS TO PRIME MINISTER TO SKEENA CONSTITUENCY

Question No. 55—**Mr. Howard:**

Since September 1, 1965, has any person, group or organization invited the Prime Minister to visit the electoral district of Skeena and, if so, what is the name and address of each such person, group or organization, and the date of each invitation?

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): Yes. Skeena Liberal Association, through the association President, Ivor Donald, Kitimat, B.C., on September 22, 1965.

Questions

B.C.-YUKON INDIAN ADVISORY COUNCIL

Question No. 67—**Mr. Howard:**

1. Is there, under the auspices of the federal government, a B.C.-Yukon Indian advisory council?
2. What is the name and address of each member of the said council?
3. Upon what date was each such member appointed or elected to the said council and what is his tenure of office?
4. What method was used to determine the membership of the council and if the method involved consultation, what is the name and address of each person, group or organization that was consulted?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. Yes.

2. Mr. Phillip Paul, South Saanich Indian Reserve, Brentwood Bay, B.C. Mr. James Gosnell, Gitlakdamix Indian Reserve, Aiyansh, B.C. Mr. George Manuel, Neskainlith Indian Reserve, Chase, B.C. Mr. James Antoine, Box 540, Vanderhoof, B.C. Chief Richard Malloway, Chilliwack River Road, R.R. 2, Sardis, B.C. Mrs. Clara Tizya, Whitehorse, Yukon Territory. Mr. Guy Williams, 194 Hastings, Vancouver, 4, B.C. Mr. Gus Gottfriedson, Box 27, Kamloops, B.C. Mrs. Laura Williams, Box 61, Harrison Mills, B.C.

3. Elections for the representatives were completed on May 31, 1965, and the term of office is for three years.

4. For the purpose of forming the council, five zones were designated in the province of British Columbia with one representative to be elected by the band councils in each zone. The Yukon Territory was also designated as a zone with one representative elected by the Band councils in the Territory. In addition, each of the two major Indian associations in British Columbia was asked to appoint a representative to the council. The ninth member of the council is chosen by the Indian homemakers' clubs in the province.

WILLOW COVE, N.S.—EXPENDITURE ON DEVELOPMENT

Question No. 86—**Mr. Crouse:**

1. What is the total cost of federal participation in the development of Willow Cove, Queens county, Nova Scotia?
2. How much of the above amount was spent on wharves or breakwater construction?
3. How much of the above amount was spent on dredging Willow Cove?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Public Works and Transport as follows: In so far as the Department of Public Works is concerned:

1. The total cost to date is $554,000.
2. $46,000.

3. $508,000.

In so far as the Department of Transport is concerned: The Atlantic Development Board has been authorized to provide financial assistance from the Atlantic development fund in the amount of $150,000 for site preparation including cribwork and retaining wall at Willow Cove, Queens county, Nova Scotia. No contracts have been awarded and no money spent.

AIR TRANSPORT OCCUPANCY RATES

Question No. 138—**Mr. Mather:**

1. What was the occupancy rate of Air Canada and Canadian Pacific Air Lines seats on domestic flights during 1963, 1964 and 1965?

2. Is consideration being given by Air Canada to reduce fares for persons 12 to 21 years of age?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. (a) The management of Air Canada advises as follows: The occupancy rate, i.e., passenger load factor for Air Canada on domestic flights: 1963, 60.9 per cent; 1964, 63.2 per cent; 1965, 65.8 per cent. (b) The Air Transport Board advises as follows: The over-all occupancy rates (i.e., passenger load factors) for Canadian Pacific Air Lines' domestic services, calculated from data filed with the board by C.P.A., i.e., passenger miles divided by available seat miles, were as follows: 1963, 61.7 per cent; 1964, 61.9 per cent; 1965 (Jan.-Oct.), 60.9 per cent.

2. Air Canada is not considering, at this time, reduced fares for persons 12 to 21 years of age.

BONDED STORAGE, HALIFAX AIRPORT

Question No. 155—**Mr. Forrestall:**

1. Has Air Canada or any agency of government or the government itself, given any consideration to the provision of suitable "bonded" storage space at the Halifax international airport?

2. If so, what has been the result of such considerations?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of National Revenue and Transport as follows. In so far as the customs and excise division is concerned:

1. No.

2. N. A.

In so far as the Department of Transport is concerned:

1 and 2. Air freight and express arriving at Halifax "In Bond" is either transferred to "bonded" storage in the city or delivered to the customer on a "standing order" issued by the city customs. The customer is thus permitted to take immediate delivery of his goods at the airport and file his entry at a later time with the city customs office.

The volume of "bonded" cargo at present being received at Halifax airport does not require immediate expansion of facilities available but the matter is being kept under review.

For passengers and their baggage, of course, the complete "international arrivals" section of the terminal is in effect a "bonded" area where goods or persons arriving are cleared through customs control.

COMMISSION ON BILINGUALISM AND BICULTURALISM

Question No. 160—**Mr. Coates:**

1. What has been the cost to date of the Royal Commission on Bilingualism and Biculturalism?

2. What was the cost of the last series of meetings held by this commission?

3. What is the final estimated cost of this commission?

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): I am informed by the Royal Commission on Bilingualism and Biculturalism as follows: 1. Expenditures to date (as of December 31, 1965) $3,538,523.70.

2. The cost of the last series of meetings of the commission (Ottawa, January 12, 13 and 14, 1966) was $3,183.70.

3. No final estimates are possible at this time.

MARITIME MARSHLANDS OFFICE, AMHERST, N.S.

Question No. 208—**Mr. Coates:**

1. What is the total staff of the M.M.R.A. office at Amherst, N.S.?

2. How many additional individuals will join the staff as a regional office under ARDA?

3. Will there be any significant change in the type of program developed through this office and, if so, what?

Hon. Maurice Sauvé (Minister of Forestry): 1. 33.

2. 8.

3. The establishment of an Atlantic regional office of rural development and the joining of the programs and agreements under the Maritime Marshland and Rehabilitation Act and under the Agricultural Rehabilitation and Development Act will result in: (1) The integration of the present M.M.R.A. organization and staff within the regional rural development office. (2) Provide for a closer working relationship with the provincial authorities which will result in expediting the planning, approval and implementation of programs and projects.

The programs under the two acts will be joined together to effectively complement one another in the regional rural development program.

FOREIGN INVESTMENTS IN CANADA

Question No. 230—**Mr. Allard:**

1. What was the value of foreign investments in Canada in 1963, 1964 and 1965 and what were their sources?

2. For 1963, 1964 and 1965, what was the value of loans obtained on foreign financial markets by municipal and provincial governments and the federal government and commercial enterprises, and on what foreign markets were such loans made?

Hon. Robert H. Winters (Minister of Trade and Commerce): 1. Foreign long-term investments in Canada at the end of 1962 had a book value of $24,729 million of which 77 per cent was owned by residents of the United States, 14 per cent by residents of the United Kingdom and 9 per cent by residents of other countries.

Later comprehensive estimates have not been completed. During the two-year period 1963-1964—$415 million, $69 million and $51 million flowed into Canada from the United States, the United Kingdom and other countries respectively for direct investment in foreign controlled concerns, and $1,327 million for the net acquisition of portfolio Canadian stocks and bonds by residents of the United States against which there were outflows of $128 million and $5 million for the net repurchases of such securities from the United Kingdom and other overseas countries respectively. The increase in the value of foreign-owned investments in Canada would be larger because of retained earnings.

In the first nine months of 1965 the net inflows from all countries for direct investment and for the acquisition of Canadian securities amounted to $290 million and $428 million respectively.

2. See statement attached.

Value of loans obtained on foreign financial markets[1] [2]

	Country	Market	1963	1964	1965
			—($'000 Canadian)—		
Federal government and federal guaranteed	U.S.A.	Private placement	135,135	—	—
Provincial direct and provincial guaranteed	U.S.A.	Various	330,000	416,000	270,000[3]
Municipal direct and municipal guaranteed	U.S.A.	Various	42,000	152,000	47,000[4]
Corporate bonds	U.S.A.	Various	309,000	300,000	422,000[3]

Notes:

(1) Source of information: Bank of Canada Statistical Summary—January 1966.

(2) The amounts shown represent gross new issues denominated in foreign currencies, which closely approximate loans obtained on foreign financial markets.

(3) 1965 data covers period ending November 30, 1965.

(4) 1965 data covers period ending September 30, 1965.

ASSISTANCE TO WORKSHOPS FOR MENTALLY RETARDED

Question No. 245—**Mr. Brand:**

1. Does the government plan to introduce legislation this session to provide capital and operational assistance to sheltered workshops for the mentally handicapped throughout Canada?

2. If so, will provision be made for all levels of mental retardation, or will the legislation be limited to those who with training may achieve normal or near normal levels of production?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Department of Citizenship and Immigration as follows: 1. Operational assistance is already being provided to a number of sheltered workshops for the mentally handicapped under the federal-provincial vocational rehabilitation and vocational training programs. Various ways by which additional assistance may be provided to sheltered workshops have been suggested and are being considered. Any decisions of government policy will be announced, when appropriate, in the normal way.

2. Not applicable.

Questions

REPLY RESPECTING WHALE RIVER INDIANS

Question No. 287—**Mr. Howard:**

Did the Minister of Northern Affairs and National Resources receive a letter dated January 21, 1966, from one V. Skerl relating to one Josie Tokalook, one Kenny White, and two Indian people from Whale River and, if so, what reply, by direct quotation therefrom, was given?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Yes; Mrs. V. Skerl was informed that: Josie Tookalook is an Eskimo living at Great Whale River in the province of Quebec. He was charged with an offence under the Criminal Code. As you know the responsibility for the enforcement of the Criminal Code rests with the province. In accordance with the practice throughout Canada Mr. Tookalook's case was heard in the provincial court. This procedure is also followed throughout Canada with regard to any case involving infraction of the Criminal Code by an Indian person. There is no change of jurisdiction involved. This has always been the practice. Kenny White is not of Indian status and I am unable, therefore, to pass any comment. Rednose and Lucassi—Two cases from Great Whale area "These two cases involve mental illness and the arrangements made for their protection are the responsibility of the Department of National Health and Welfare. I have referred your letter to my colleague the Honourable Allan J. MacEachen for attention."

* SAFETY FEATURES IN AUTOMOBILES

Question No. 288—**Mr. Grafftey:**

1. For the protection of the Canadian public has any governmental authority in Canada drafted a code of minimum safety standards relating to safety features which must be included in cars at the production level and for the use of the public in general?

2. What governmental authority in Canada, if any, exercises active control over the automobile industry relating to the safer production of cars and relative to the inclusion of scientifically proven safety features as standard equipment in all cars produced in or imported into Canada?

3. If such a governmental authority exists, in what manner has it exercised its authority in the past ten years?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the answer to this question is in three parts.

1. In so far as the government of Canada is concerned there is an automotive vehicle safety code being developed which will be made up of sections dealing with the human factor, the vehicle and the environment. Preparation of the code has been assigned to the Canadian government specifications board, which will undertake this work in co-operation with officials of provincial governments and interested industrial, professional, technical, safety and research organizations. It is proposed to give a high priority to the vehicle section, but the sections dealing with the human and environmental factors will be proceeded with simultaneously.

The code will contain information on characteristics of drivers and roads which are related to accident frequency. The vehicle section will contain information, including standards to govern safety features, which is intended to reduce the number of accidents and to reduce the severity of injuries when accidents do occur. It is anticipated that the code will influence the development of safer automobiles. It could also serve as the basis for achieving uniformity of vehicle legislation and regulations.

2. None.

3. Not applicable.

* SAFETY FEATURES IN MOTOR CARS

Question No. 290—**Mr. Grafftey:**

1. Has the government any statistics indicating the number of deaths and injuries caused by rear-end collisions and the propulsion of tools, jacks, etc., from the trunk into the back seat of the car and, if so, have any steps been taken to eliminate the use of cardboard or similar material to separate the trunk from the back seat in any 1966 model cars produced or imported into Canada?

2. Has the government determined whether all currently popular 1966 hardtop model cars produced in or imported into Canada have been so engineered that three-point shoulder harnesses can be properly installed and moored to the frame of the car and, if not, what government agency is responsible for the safety inspection of such cars?

Hon. C. M. Drury (Minister of Industry): 1. The Dominion Bureau of Statistics report that statistics of this nature are not available.

2. The government has not determined whether all currently popular 1966 hardtop model cars produced in or imported into Canada have been so engineered that three-point shoulder harnesses can be properly installed and moored to the frame of the car. However, one Canadian manufacturer does provide anchorage points and the system used by this manufacturer could be adapted to any "hardtop." There is no federal government agency charged specifically with the responsibility of inspection of cars for safety.

APPLICATION OF SALES TAX ON BUILDING MATERIALS

Question No. 292—**Mr. Godin:**

What products, manufactured in Canada, are affected by the 11 per cent sales tax on building materials?

Hon. E. J. Benson (Minister of National Revenue): All building materials manufactured or produced in Canada are subject to the 11 per cent sales tax with the exception of those listed in schedule III of the Excise Tax Act, i.e., crushed stone, crushed gravel, sand, gravel, rubble and field stone. The goods listed in section 29(2b) of the act are not subject to sales tax on the manufacturer's sale price but sales tax applies only with respect to the materials used in their manufacture or production. In addition, bona fide public hospitals and provincial government departments may purchase taxable building materials for their own use and not for resale without payment of sales tax. Under sections 47 and 47A of the act, certain institutions, such as homes for the aged, educational institutions and organizations operating public libraries, may obtain refund of the sales tax paid on materials used in the construction of their buildings.

ROYAL COMMISSION ON CRIME

Question No. 296—**Mr. Allard:**

Does the government intend to create a royal commission on organized crime and on its causes?

[*Translation*]

Hon. Lucien Cardin (Minister of Justice): No.

[*English*]

ASSISTANCE FOR SHELTERED WORKSHOPS

Question No. 325—**Mr. Rapp:**

Is it the intention of the government to propose legislation during this session of parliament which would provide assistance for capital and operational costs for sheltered workshops for the mentally handicapped?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Department of Citizenship and Immigration as follows: Operational assistance is already being provided to a number of sheltered workshops for the mentally handicapped under the federal-provincial vocational rehabilitation and vocational training programs. The government is giving consideration to various ways by which additional assistance may be provided to rehabilitation for the mentally and physically disabled. Any decisions of government policy will be announced, when appropriate, in the normal way.

Questions

* GUISEPPE COTRONI, KINGSTON PENITENTIARY

Question No. 341—**Mr. Coates:**

1. Is Guiseppe Cotroni an inmate of the federal penitentiary at Kingston, Ontario, and, if so, what was he convicted of and what is the length of his sentence?

2. If Guiseppe Cotroni is an inmate of the penitentiary, has he ever been permitted to leave Kingston penitentiary since entering that institution to attend any personal functions on compassionate or other grounds and, if so, on what dates and for what reasons?

3. If Guiseppe Cotroni was allowed to attend any personal functions on parole, was he allowed to leave unattended or under escort?

4. Has any request been made for his parole and, if so, under whose authority was parole granted?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, the answer to this question is as follows: Yes, Guiseppe Cotroni was convicted of trafficking in narcotics and sentenced to ten years imprisonment and to an additional seven years consecutive for receiving stolen goods.

The answer to part 2 is yes, on Friday and Saturday, September 18 and 19, 1964, pursuant to section 26 of the Penitentiary Act, to attend the wake of his mother.

The answer to part 3 is, Guiseppe Cotroni was not allowed to attend any personal function whilst on parole, but was at all times under escort.

The answer to part 4 is yes, a request for parole was made on behalf of Guiseppe Cotroni but it was refused by the national parole board.

FAMILY ALLOWANCES

Question No. 343—**Mr. Godin:**

1. What was the amount spent by the government in 1945 for the payment of family allowances?

2. How many children were eligible in 1945 to receive family allowances?

3. What was the amount spent by the government in 1965 for the payment of family allowances?

4. How many children were eligible in 1965 to receive family allowances?

5. What is the percentage increase in the cost of living from 1945 to date?

6. What is the percentage increase of family allowances, from 1945 to date?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of National Health and Welfare and Trade and Commerce as follows:

1. $113,934,820.

2. As at December 31, 1945—3,261,732.

3. $550,571,248.

4. As at December 31, 1965—6,849,095.

5. The consumer price index (1949=100) increased from 75.0 in 1945 to 140.8 at the

beginning of December 1965, an increase of 87.7 per cent.

6. The percentage increase in the average allowance per family as between December 1945 and December 1965 is 11.5 per cent. The percentage increase in the average allowance per child as between December 1945 and December 1965 is 9.4 per cent.

OFFICE STAFF, MINES MINISTER

Question 353—**Mr. Coates:**

1. When the present Minister of Mines and Technical Surveys took office, who were the members of the staff of the minister's office?

2. Were any of such staff removed and for what reasons in each case?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): 1. When the present Minister of Mines and Technical Surveys took office, the following were the members of the staff of Hon. J. Watson MacNaught: Mr. J. P. MacInnis, Executive assistant; Mr. O. J. Troy, Special assistant; Mrs. Regan Copp, Private secretary; Mrs. Marcelle Mihm, Assistant private secretary; Miss M. A. Giroux, Assistant private secretary; Mr. A. Sonier, Principal clerk; Mrs. Madeleine Logan, Clerk 4; Mrs. E. T. Larmour, Typist 3.

2. Section 71 of the Civil Service Act reads as follows:

"71 (2)—A person who is employed in the office of the minister ceases to be employed when the person holding the position of such minister ceases to hold that position." In effect, therefore, none of the staff referred to above were removed by the minister—their employment had terminated with the departure of the previous minister.

Here is the present position of individuals previously on the staff of Hon. J. Watson MacNaught:

Mr. J. P. MacInnis, No information. Mr. O. J. Troy, Temporarily employed as special assistant to the minister. Mrs. Regan Copp, With the office of Hon. R. Winters. Mrs. Marcelle Mihm, Retained as associate private secretary to the minister. Miss M. A. Giroux, Working elsewhere in the minister's department. Mrs. M. Logan, Retained as clerk in minister's office. Mrs. E. T. Larmour, Working elsewhere in minister's department. Mr. E. Sonier, No information.

POST OFFICE BUILDING, IONA, N.S.

Question No. 369—**Mr. Muir (Cape Breton North and Victoria):**

1. What are the plans of the government for the construction of a new post office building at Iona, Nova Scotia?

[Miss LaMarsh.]

2. Will it be constructed during the present winter works program and, if so, how soon will the construction commence?

Hon. Jean-Pierre Côté (Postmaster General): 1 and 2. The post office at Iona, N.S., is in the category of offices where the postmaster is normally responsible for the provision of suitable accommodation as a condition of employment. There are no plans for the construction of a post office building as this location is not in an area designated by the Department of Labour as one of high winter unemployment.

USE OF STILBESTROL

Question No. 371—**Mr. Rynard:**

1. What are the regulations on the feeding of stilbestrol to animals that are for human consumption?

2. Is there any licensing arrangement to firms who feed it?

3. Are the carcasses so marked?

4. Are there any suspected ill-effects from the consumption of meat from animals that were fed stilbestrol?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Agriculture and National Health and Welfare as follows: In so far as Department of Agriculture is concerned:

1. Feeds containing diethylstilbestrol are regulated under the Feeds Act. Such feeds, in order to be registered for sale, may contain only an amount of diethylstilbestrol that when fed according to label directions, will result a daily intake of 10 milligrams per head in the case of beef animals and 2 milligrams per head in the case of lambs. Labels must carry warnings that the feed must not be given within 48 hours of slaughter and that swine should not be allowed to follow medicated animals because of diethylstilbestrol in the droppings. Warnings not to feed to breeding stock or milking cows are also required on the labels. Before registration is granted the manufacturer must establish his proficiency to manufacture the feed with the prescribed diethylstilbestrol concentration. No other feed may contain diethylstilbestrol.

2. No.

3. No.

4. No. Meat from animals fed diethylstilbestrol in the prescribed manner will not contain the drug at detectable levels.

In so far as the Department of National Health and Welfare is concerned:

1. The premises containing stilbestrol used in preparing cattle feeds are classified as

"drugs" under the Food and Drugs Act. The labels of the premises must carry adequate directions for use which include directions for mixing, maximum amount of the drug to be fed per head per day and a withdrawal period of the medicated feed prior to slaughter of the animals.

2. The feed manufacturer is required to register the stilbestrol-containing feed under The Feeding Stuffs Act before its sale.

3. There is no requirement to mark the carcasses which have been fed stilbestrol-containing feeds.

4. No ill effects from the consumption of meat from animals that were fed stilbestrol have been reported. Market surveys have been made using very sensitive methods and no detectable residues of stilbestrol have been found in the edible tissues of cattle that had been fed stilbestrol-containing feeds.

POINT EDWARD NAVAL BASE—TENDER NO. 251-2-201644

Question No. 409—**Mr. Forrestall:**

With reference to Crown Assets tender No. 251-2-201644, dated January 10, 1966, on material being held at Point Edward naval base (a) how many tenders were received (b) from whom were they received (c) what were the prices paid and by whom were they paid on each successful bid?

Hon. C. M. Drury (Minister of Industry): In so far as Crown Assets Disposal Corporation is concerned, the answer is as follows: 1. (1) Twenty-four tenders were received.

(b) Tenders were received from the following: Tanny Merchandising, Dulac Etchemin, Hal-Dart Fire Safety Equipment, Hercules Sales Limited, Slater's, Universal Ship Supply Limited, Westmount Fire Department, Joseph Rehberg, Palmer Levit, Dominion Metal and Refining Works, Lipton's Auto Parts, Latzie Dudinsky, A. M. Shaw, Yazer Bros. Limited, Consumers Metal, Salter's, Oscars, M. M. Salvage, Pictou Lodge, Smith's Sales, Harvey Webber, Maritime Dredging, K. Phillips Fire and Safety, Cameron Contracting.

(c) Material was sold as follows: Items 1 to 10 inclusive: Westmount Volunteer Fire Department, Sydney, Nova Scotia, $4,000. Items 11 to 15 and 31: Universal Ship Supply, Montreal, P.Q., $2,100. New tenders called for items 15 to 24, 26 to 30 and item 32.

(a) Ten (10) tenders were received.

(b) Tenders were received from the following: Universal Ship Supply, Maritime Fire and Safety Supply Co., Hal-Dart Fire and Safety Equipment, Slater's, Dulac Etchemin, Maritime Asphalt Products, Curran and Briggs, A. M. Shaw, Pictou Lodge, Munroes Limited.

(c) Material was sold to high bidder—Universal Ship Supply, $1,571.75.

Note: Items 25, 33, 34 and 35 were withdrawn by the declaring departments.

INDUSTRY DESIGNATED AREA PROGRAM, MANITOBA

Question No. 422—**Mr. Stefanson:**

1. Is the southern portion of the interlake area of Manitoba, including Teulon, Stonewall and Selkirk, excluded from the industry designated area program and, if so, on what basis?

2. Are areas such as Grand Rapids, Norway House and other such points in northern Manitoba excluded and, if so, on what basis?

3. Is the government now giving consideration to including the areas mentioned in (1) and (2) above, in the industry designated program?

Hon. C. M. Drury (Minister of Industry): 1. Census division 12 in Manitoba represents that part of the interlake region of Manitoba which is designated under the area development program. It does not include Teulon and Stonewall, which are in census division 9, or Selkirk which is in census division 5. Census divisions are designated where the average annual non-farm family income was reported as being below the qualifying level of $4,250, provided they are contiguous to NES areas which also qualify for designation, and which together with these areas form economic regions. Census division 12 met this criteria, having an income level of $3,423, and being contiguous to the designated NES area of Dauphin.

Census divisions 9 and 5 are considered to be within the broader labour market area of greater Winnipeg, where unemployment is relatively low, incomes generally higher than the Canadian average of $5,449 and there has been a greater rate of employment growth than that experienced by the nation as a whole. They did not, therefore, meet the criteria for qualification.

2. Grand Rapids, Norway House and other adjacent points around the northern end of Lake Winnipeg are located in census division 16, which, although contiguous to the designated NES area of The Pas, has not been designated because the reported average annual non-farm family income of $4,518 is above the qualifying level of $4,250.

3. The area development program is being reviewed on a continuing basis by the government. Pending the availability of new data on family income late this year or early 1967, it is not planned to alter present designations.

Questions

NATIONAL DEBT

Question No. 429—**Mr. Godin:**

1. In 1940 (a) what was the cost of the interest on the national debt (b) what was the amount of the national debt in that year?
2. In 1965, what was the amount of the national debt?

Hon. Mitchell Sharp (Minister of Finance): 1. (a) For the year ended March 31, 1940, the cost of interest on the gross public debt was $129,315,442. (b) As at March 31, 1940, gross public debt was $4,028,728,606.

2. As at March 31, 1965, the gross public debt was $26,574,246,505.

SALARIES AND WAGES, DEFENCE PRODUCTION DEPARTMENT

Question No. 438—**Mr. Godin:**

What amounts did the Department of Defence Production spend, during the years 1955 and 1965 on (a) salaries and wages (b) professional and special services?

[*Translation*]

Hon. C. M. Drury (Minister of Industry):

Fiscal year ending— March 31st, 1955	Salaries and Wages	Professional and Special Services
Departmental Administration	$ 4,949,669	$ 33,961
Reimbursement to DND re military personnel on loan		$ 40,169
Total per Public Accounts (DD17)	$ 4,949,669	$ 74,130
March 31st, 1965		
Departmental Administration	$11,395,972	$ 163,502
Reimbursement to DND re military personnel on loan		$ 28,650
Purchasing, stationery and Stores Unit	$ 972,841	—
	$12,368,813	
Directorate of Printing	$ 460,187	—
Total per Public Accounts (11-7)	$12,829,000	$ 192,152
Salaries and wages of stores and traffic divisions of Purchasing, Stationery and Stores Unit charged to Queen's Printer's Advance (P.A.11-3)	—$ 193,865	
	$12,635,135	
Emergency Measures Organization, Public Accounts (13-4)	$ 1,117,902	$237,891
	$13,753,037	$430,043

The above figures include the value of advisory and administrative services rendered free to the Department of Industry and also procurement services for Canadian Commercial Corporation for 1964-65, but exclude the value of services rendered free by other government departments.

[Mr. Drury.]

SALARIES AND WAGES, INDUSTRY DEPARTMENT

Question No. 441—**Mr. Godin:**

What amounts did the Department of Industry spend during the years 1962, 1963, 1964 and 1965 on (a) salaries and wages (b) professional and special services?

Hon. C. M. Drury (Minister of Industry):

Fiscal year ending—	Salaries and wages	Professional and Special Services
March 31st, 1962	The Department of Industry Act came into effect in July 1963.	
March 31st, 1963		
March 31st, 1964		
Departmental administration	$ 174,150	$ 14,007
Paid from funds transferred from Department of Trade and Commerce	$ 269,217	$ 9,406
Minister's Salary	$ 10,282	—
Total per Public Accounts (19-3)	$ 453,649	$ 23,413
March 31st, 1965		
Departmental administration	$2,578,454	$ 126,223
Minister's Salary	$ 15,000	—
Total per Public Accounts (19-4)	$2,593,454	$ 126,223

The above figures exclude the value of advisory and administrative services rendered free by the Department of Defence Production, and excludes the value of services rendered free by other government departments.

[*English*]

FEED GRAIN STORAGE, MARITIME PROVINCES

Question No. 444—**Mr. Fairweather:**

1. During 1965, how much feed grain was stored in the port of Halifax to be used by famers of the martime provinces during the winter of 1965-1966?

2. Is it considered that there is an adequate reserve of feed grain now available in Halifax for distribution to farmers in the martimes?

Hon. Maurice Sauvé (Minister of Forestry):

1. 2,150,000 bushels.

2. These supplies are considered to be short of meeting the full needs of the maritimes for this winter. However, rail rates are now available for direct hauling from the lakehead to maritime destinations, which are competitive with the normal water haul.

ADJUSTMENT ASSISTANCE BOARD LOANS

Question No. 463—**Mr. Hales:**

1. How many loans have been approved by the adjustment assistance board, Department of Industry, to automotive parts manufacturers since the loan was established?

2. To whom were these loans made?

3. How many were for capital to purchase land and buildings?

4. How many were for machinery, equipment and working capital?

Hon. C. M. Drury (Minister of Industry):

1. Seven loans have been approved.

2. The activities of the adjustment assistance board with respect to borrowers are of a confidential nature and the names of the applicants, together with the terms and conditions of the loans, are considered to be commercially confidential. Accordingly, it would not be in the public interest to release this information.

3 and 4. All seven loans involved providing funds for machinery, equipment and working capital. In addition, three of these involved the purchase of land and buildings.

RECIPIENTS OF VETERANS PENSIONS

Question No. 474—**Mr. Laprise:**

1. How many war veterans are receiving pensions from the government at the present time?

2. Out of this number, how many are receiving (a) less than 10 per cent of the maximum pension (b) from 10 to 20 per cent (c) from 20 to 30 per cent (d) from 30 to 40 per cent (e) from 40 to 50 per cent (f) from 50 to 60 per cent (g) from 60 to 70 per cent (h) from 70 to 80 per cent (i) from 80 to 90 per cent (j) from 90 to 100 per cent (k) the maximum pension?

Hon. Roger Teillet (Minister of Veterans Affairs): 1. As at September 30, 1965 there were 141,612 world war I and world war II veterans of the Canadian forces receiving disability pensions under the Pension Act.

2. Percentage of disability for which pension is in payment:

Percentage	Number	
Less than 10%	20,891	(5%- 7%)
10% to 20%	48,084	(8%-17%)
20% to 30%	24,731	(18%-27%)
30% to 40%	12,048	(28%-37%)
40% to 50%	6,613	(38%-47%)
50% to 60%	9,855	(48%-57%)
60% to 70%	4,326	(58%-67%)
70% to 80%	2,957	(68%-77%)
80% to 90%	5,308	(78%-87%)
90% to 100%	1,041	(88%-97%)
100% (maximum)	5,758	(98%-100%)
Total	141,612	

ASSISTANCE FOR CARPET FACTORY CONSTRUCTION, KELOWNA, B.C.

Question No. 498—**Mrs. MacInnis (Vancouver-Kingsway):**

1. Has the government or any agency thereof received representations from any firm or individual concerning the construction of a building in the area of Kelowna, British Columbia, to be used in the manufacturing of carpets?

2. If so, what was the nature of the representations and what was the government's response, if any, to them?

3. Is the government considering a grant in connection with the above representations which would contribute to the cost of erecting such a building and if a decision has been made, what is the size of the grant in relation to the total cost?

4. Is the government considering tax incentives in connection with the above-mentioned enterprise and, if so, what is the nature of such considerations and what is the government's decision, if any?

Hon. C. M. Drury (Minister of Industry): 1. Yes.

2 and 3. The area development agency of the Department of Industry has received an application for a development grant under the Area Development Incentives Act. The company has been advised that if the new facility is established in accordance with the plans outlined in the application, the project would appear to qualify for the benefits under the act and supporting regulations. A final decision on the part of the government will be made at the time the company commences commercial production. The level of the development grant will be based on the approved costs of new machinery, equipment and buildings, in accordance with formula No. 1 of the schedule of the act.

4. It is understood that the company desires the development grant, although it has a choice of the grant or a three year income tax abatement under section 71A of the Income Tax Act. The decision must be taken by the company prior to commercial production.

STUDY OF POPULATION DECREASE, CAPE BRETON

Question No. 513—**Mr. Muir (Cape Breton North and Victoria):**

1. Was a study made to determine the implications of decreasing population in Cape Breton, if so, who was engaged to carry out such a study?

2. Is a report of the study available to members and, if not, when will such a report be available?

Hon. C. M. Drury (Minister of Industry): 1. The area development agency of the Department of Industry has commissioned a study by the Institute of Public Affairs of Dalhousie University to evaluate the effects of population decline in two coal mining communities in Cape Breton island.

2. A report should be available for distribution to those interested in about three months time.

STUDENTS EMPLOYED, CAPE BRETON HIGHLANDS PARK

Question No. 514—**Mr. Muir (Cape Breton North and Victoria):**

1. How many students were employed during the past summer at the Cape Breton Highlands national park?

2. Of those, how many were from Victoria county, N.S., and how many were from other areas in Cape Breton?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. Twenty-six.

2. (i) Thirteen were from Victoria county, Nova Scotia, (ii) Eight were from Inverness county, Nova Scotia, (iii) Four were from Cape Breton South, Nova Scotia, (iv) One was from Colchester, Hants county, Nova Scotia.

PAYMENTS TO PROVINCES UNDER HOSPITAL ACT

Question No. 522—**Mr. Ormiston:**

For the calendar years 1964 and 1965, what were (a) the D.B.S. estimated populations for each province (b) the amounts paid to each province under the Hospital Insurance and Diagnostic Services Act for (i) inpatient hospital services, and (ii) outpatient services?

Hon. A. J. MacEachen (Minister of National Health and Welfare):

Advances made by Canada
under the Hospital Insurance and Diagnostic Act
for the calendar years 1964, 1965

Province	Population (DBS Cert.) 1964	1965	In-Patient Hospital Services 1964	1965(i)	Out-Patient Hospital Services 1964	1965(i)
Newfoundland	490,000	497,000	$ 8,733,627	$ 10,538,822	$ 429,627	$ 556,588
Prince Edward Island	106,000	106,000	1,881,402	2,017,142	156,876	253,578
Nova Scotia	739,000	742,000	14,393,181	15,908,297	1,067,913	1,274,807
New Brunswick	609,000	615,000	12,666,128	12,562,192	296,046	324,241
Quebec(ii)	5,546,000	5,640,000	115,559,459	—	1,596,717	—
Ontario	6,540,000	6,688,000	141,696,981	158,582,990	2,817,123	3,612,126
Manitoba	947,000	952,000	19,388,999	21,327,466	633,408	804,576
Saskatchewan	939,000	947,000	20,575,178	22,731,384	1,603,474	1,778,149
Alberta	1,420,000	1,440,000	28,919,210	32,870,992	715,759	564,738
British Columbia	1,724,000	1,775,000	34,023,998	38,935,762	—	—
Yukon	15,000	15,000	324,952	318,734	4,341	3,038
Northwest Territories	25,000	25,000	549,172	590,583	13,458	14,769
Totals	19,100,000	19,442,000	$398,712,287	$316,384,364	$9,334,742	$9,186,610

(i) Advances for the month of December for New Brunswick and Northwest Territories have not yet been made.
(ii) Quebec received amounts for 1965 under Established Programs (Interim Arrangements) Act.

PESTICIDE RESIDUES IN FOODS

Question No. 528—**Mr. Jorgenson:**

1. Has the Department of National Health and Welfare adopted a standard of maximum tolerances of pesticide residues for foods consumed in Canada?

2. If so, do these standards apply to imported foods as well?

3. What are the levels permitted in Canada?

4. What method of checking is used to determine levels of residues contained in food imports?

5. Have there been any instances of imports exceeding the maximum tolerances permitted in Canada?

6. If so, what action has been taken?

Hon. A. J. MacEachen (Minister of National Health and Welfare): 1. Yes.

2. Yes.

3. The details of the tolerances for pesticides, together with a listing of foods in which they are permitted, are to be found in the food and drug regulations.

4. Imported foods are sampled at the port of entry and examined for pesticide residues in one of five regional laboratories of the food and drug directorate.

5. Yes.

6. The imported foods which were found to contain pesticide residues in excess of the established tolerances were refused entry into Canada.

RURAL MAIL ROUTE CONTRACTS

Question No. 531—**Mr. Fawcett:**

Does the Post Office Department have policies with respect to rural mail deliveries and, if so (a) are routes publicly tendered periodically (b) is a route automatically re-tendered in the case of the demise of a mail carrier (c) can a route be transferred to another carrier without re-tendering (d) how many rural route deliveries operate out of Chelmsford, Ontario and on what dates were each last open for tender?

Hon. Jean-Pierre Côté (Postmaster General): The policies of the Post Office Department with respect to rural mail deliveries are governed by sections 23 to 33 of the Post Office Act (a) Expiring mail contracts can either be renewed (section 31 (1), Post Office Act) or put up for tenders. (b) Mail contracts are entered into with the contractor, his heirs, executors and administrators. In the case of the demise of a mail carrier, the contract is automatically put in the hands of the sureties, who may (i) continue to operate the service until the expiration of the contract, (ii) Submit an application for transfer, (iii) Give 90 days' notice of termination of contract. In this instance public tenders are invited or, if the contract is for one thousand dollars or less, the Postmaster General may enter into a contract without tenders. (c) Yes (section 31 (1) of the Post Office Act.) (d)

Questions

Four rural mail delivery routes operate out of Chelmsford, Ontario: Chelmsford R.R. 1—Tenders due October 18th, 1957, Chelmsford R.R. 2—Tenders due September 4th, 1959, Chelmsford R.R. 3—Tenders due August 1938, Chelmsford R.R. 4—Tenders due October 6th, 1961.

PENSION FOR REV. PETER COWLAND

Question No. 539—**Mr. Fairweather:**

1. What decision has been reached relative to compensation for the Reverend Peter Cowland, pension No. 502171, who was seriously injured in 1941 by a bomb blast and whose eyesight is now deteriorating?

2. On what date was Mr. Cowland examined by two eye specialists?

3. How long does it normally take the Department of Veterans Affairs to reach a decision in similar cases?

Hon. Roger Teillet (Minister of Veterans Affairs): 1. On February 9, 1966, the Canadian Pension Commission granted entitlement for corneal and lens opacities, effective twelve months prior to date of decision.

2. An eye specialist's report was prepared on October 27, 1965.

3. It is not possible to answer this question definitely but the length of time required by the Canadian Pension Commission to reach a decision depends on a number of factors including the nature of the claim, etc.

MOVE FROM CALGARY OF FORESTRY HEADQUARTERS

Question No. 540—**Mr. Harkness:**

1. Is there any intention to move the Calgary branch divisional headquarters of the federal Department of Forestry from Calgary to Edmonton?

2. If so, what are the reasons for this projected move?

3. Have the mayor and council of the city of Calgary been consulted on this matter and given an opportunity to set forward the reasons why this office should be retained in Calgary?

Hon. Maurice Sauvé (Minister of Forestry): 1. Yes.

2. Improved efficiency of operations of the department's regional establishment serving Alberta, the Northwest Territories, and the Yukon Territory, through the development of closer professional contacts with senior staff of the Alberta Department of Lands and Forests and officials of forest industrial firms, and closer proximity to the major commercial forests of the region.

3. No. However, the mayor of Calgary has been advised of the decision and the reasons for it.

[Mr. Côté (Longueuil).]

SAFETY STANDARDS FOR CARS

Question No. 558—**Mr. Simard:**

In order to reduce the number of road injuries and fatalities, is it the intention of the federal government to implement some control by establishing standards for the import and manufacturing of cars?

[*Translation*]

Hon. C. M. Drury (Minister of Industry): The Government of Canada intends to establish safety standards for all cars purchased by it whether imported or manufactured in Canada.

PLANT RESEARCH SPECIALISTS, PRAIRIE PROVINCES

Question No. 567—**Mr. Schreyer:**

1. How many research specialists are employed full time in basic plant research in the three prairie provinces in any program in which the federal government is involved?

2. How many research specialists are employed full time in costs of production research in the three prairie provinces in any program in which the federal government is involved?

3. At how many illustration stations and/or other kinds of research station are costs of production studies being carried out?

4. What are the salary ranges for persons employed at the above, either in universities or with the federal Department of Agriculture?

Hon. J. J. Greene (Minister of Agriculture): 1. Research specialists employed full time in basic plant research in the three prairie provinces are listed as follows: Plant breeding, genetics, ecology, management, 55; Plant physiology of crop plants, 8; Plant pathology, 24; Weed research, including physiology of weeds, 8. The above does not include soil and fertility research related to plant production. It does include pasture and range research.

2. Three full time research specialists are employed in costs of production research.

3. Some cost of production data are being obtained on seven project farms in southern Saskatchewan.

4. Salary ranges for the people employed in the federal Department of Agriculture are from a current minimum of $6,302 to a maximum of $13,038, depending on training and productivity.

AUTO IMPORTS FROM U.S. NOT DUTY FREE

Question No. 589—**Mr. Hales:**

How many cars or what dollar value of cars imported from the U.S.A. in 1965 did not qualify for the duty-free entry because the firm or firms did not maintain the same ratio between cars produced and sold in Canada in the base year of August 1, 1963 to July 31, 1964?

Hon. E. J. Benson (Minister of National Revenue): The number of cars or the dollar value of cars imported from the U.S.A. in 1965 which did not qualify for duty free entry because the firm or firms did not maintain the same ratio between cars produced and sold in Canada in the base year of August 1, 1963 to July 31, 1964, is not known at the present time, for the reason that company returns are not as yet available for audit.

FARM GUIDANCE AGENCY

Question No. 603—**Mr. Neveu:**

Is the government planning to set up, in co-operation with the provinces, an agency for the profitable operation of farms, for the purpose of providing guidance and information to farmers on the possibilities of a rational production of diversified crops, compatible with the soil resources and the commercial outlets?

Hon. J. J. Greene (Minister of Agriculture): The various activities of federal and provincial departments of agriculture are related to the objective of profitable operation of farms. To provide co-ordination in guidance and information to farmers there are now various committees and conferences at the local and national levels. Continuing consideration is given to more effective means of advancing this objective.

*C.B.C. APPLICATION FOR LABOUR CODE DEFERMENT

Question No. 604—**Mr. Lewis:**

1. Has the Canadian Broadcasting Corporation applied to the Minister of Labour for deferment of any of the provisions of the Canada Labour (Standards) Code and, if so, what are the provisions sought to be deferred?

2. What, if any, disposition has been made by the minister of such application or applications?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, the question and the answer to this question are in two parts. As to the first part the Canadian Broadcasting Corporation has made a submission under section 51 for deferment of part I, hours of work set out in the Canada Labour (Standards) Code.

The answer to part 2 is, no decision has yet been reached.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PRINTING BUREAU WAGES

Question No. 63—**Mr. Irvine:**

1. Over the past five calendar or fiscal years what has been the total annual outlay for wages and salaries at the Canadian Government Printing Bureau?

2. What is the rate of pay for compositors, press operators, binders, other categories of employees?

3. What "fringe" or other benefits are provided by way of (a) sick leave (b) pensions (c) vacations?

4. Over the past five calendar or fiscal years, what has been the rate of absenteeism?

5. What has been the total loss in man-hours through such absenteeism?

Return tabled.

*RESEARCH INTO MOTOR CAR SAFETY

Question No. 289—**Mr. Grafftey:**

1. In the year 1965, what amount, if any, did the federal government spend on research involving the production of safer cars for the use of the general public?

2. Does the government have any information indicating the extent to which private bodies or institutions in Canada, are doing research relating to the production of safer motor vehicles and, if so, what is the extent of such research?

3. Has the government any statistics relating the profits of the Ford Motor Company of Canada in 1965 to the company's budget for research into the production of safer cars and, if so, from what federal agency are such statistics available?

4. Has the government any statistics relating the profits of the Chrysler Corporation of Canada in 1965 to the company's budget for research into the production of safer cars and, if so, from what federal agency are such statistics available?

5. Has the government any statistics relating the profits of General Motors Corporation of Canada in 1965 to the company's budget for research into the production of safer cars and, if so, from what federal agency are such statistics available?

Return tabled.

PRIVILEGE

MR. NIELSEN—RIGHT OF MEMBER FOR MONTMAGNY-L'ISLET TO VOTE IN HOUSE

Mr. Erik Nielsen (Yukon): Mr. Speaker, you were kind enough to speak with me last Friday in your chambers in respect of the matter of privilege which I raised that afternoon. I have provided Your Honour with notice of my intention to raise it this afternoon, and I wish to inform Your Honour and the members of the house that I have sent a copy of that notice through the chief government whip to the hon. member for Montmagny-L'Islet (Mr. Berger).

I do not intend to go into detail this afternoon, since an application is before the courts by the hon. member, I assume under section 63 of the Canada Elections Act. It would appear, however, that there is some question as to the right of the hon. member to have voted on three occasions during this session, because while the official count in the

particular riding was held on November 15 and the writ returned on November 22, it would appear that the 60 day time limit within which a return of election expenses must be filed expired on January 21 last.

Mr. Speaker, there were three votes taken in the house; two on January 27, one respecting a motion to hear a member in priority to others and the other respecting the 11 per cent sales tax, and the third on January 25 concerning an amendment to increase old age pensions. The hon. member for Montmagny-L'Islet is on record as having voted on all three occasions, the dates of which are subsequent to the date on which the return of election expenses should have been filed.

I raise the matter now simply to draw the attention of Your Honour and the members of this house to the probable breach of privilege that exists. I believe this is important, particularly in a house composed as this one is where such a vote might assume quite important proportions.

The hon. member concerned has brought an application which has been adjourned to February 24 because of the imperfection of the application. In the meantime it was my intention on Friday, as it is this afternoon, to leave this matter with Your Honour. If it should be your direction, and I seek Your Honour's guidance in this connection, I should be prepared to move a motion that the matter of privilege raised by me this day be referred to Your Honour for such disposition as Your Honour may see fit.

Mr. Speaker: I suggest to the hon. member that the matter might be held in abeyance for the time being until such time as the Chair has had an opportunity to study the matter raised by the hon. member for Yukon. In the light of the views later expressed by the Chair he will decide whether a motion should be actually moved. I do not want to cut off discussion in this regard. I gather that the hon. Minister of Public Works has comments to make, and I would certainly be pleased to hear them.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, just before you consider this matter I want to say that I support the view that it should be studied by Your Honour before a decision is given as to whether or not it involves a question of privilege. I say this because section 63 of the act quoted by the hon. member for Yukon provides that all election agents, official agents as they are commonly called, must file returns. Then it adds a separate provision affecting members of parliament, or candidates who are elected. The case now under discussion is one in which a candidate has been elected.

It is regrettable maybe, but none the less a fact, as has been revealed by an order for return tabled in each parliament, I think, or in all the parliaments I can remember, that great numbers of candidates have not filed these returns. For instance, there was a return made in the last parliament. I have the reference here to that return and it shows, for example, that some 51 of the candidates of the party to which the hon. member for Yukon belongs failed to file a return in that election.

Some hon. Members: Oh, oh.

Mr. McIlraith: Some 22 of those were from the province of Quebec. There is nothing unusual in that; it is a circumstance—

Mr. Starr: Were they elected members?

Mr. McIlraith: The returns will speak for themselves.

Mr. Starr: You are camouflaging your argument.

Mr. McIlraith: The point I wish to make is that in dealing with elected candidates the subsection of section 63 provides that if they fail to carry out the provisions of the act there is a remedy provided in the courts and it is a matter for the courts. If the hon. member feels that this case warrants such action, he has his remedy set out in that section of the act, by virtue of which parliament dealt with this subject matter.

If the hon. member wants to avail himself of that remedy then, of couse, he is quite entitled to do so. My point is that it is not a matter of privilege affecting the usages in the house, but rather it is a case where the remedy has been provided by statute, by parliament, for dealing with this subject, and it is set out in that section of the act which governs this matter.

Mr. Nielsen: Mr. Speaker, I had not intended to—

Mr. Speaker: Order, please. I quite appreciate the position of the hon. member for Yukon. I appreciate the fact that he has allowed the matter to rest in the hands of the Speaker. I also appreciate the views expressed by the Minister of Public Works. All these views will be taken into account. I

understand the position of the hon. member for Yukon, as I have said, and the fact that no motion has been made. I think perhaps the hon. member would wish to guide himself in the light of whatever decision or comments are made by the Chair as a result of the question raised by the hon. member for Yukon.

Mr. Nielsen: I shall certainly do that, Mr. Speaker, but I do not believe the matter can be allowed to rest on the record with the perhaps unintentional distortions made by the house leader.

Mr. McIlraith: Distortions?

Mr. Nielsen: There is no remedy as the house leader suggests. The prohibition contained in section—

Mr. Speaker: Order, please. May I suggest to the hon. member that this is the task of the Chair, namely to find out what remedies there are, if there are remedies. This is why I assume the hon. member is placing the matter in the hands of the Chair to study the matter and study the statute. I have already had an opportunity to give some thought to the question since the hon. member left the notice in my hands, and I really do not think there will be any great difficulty in studying the matter and giving a decision to the satisfaction of the house.

Mr. Nielsen: That really is not the point, with deference to Your Honour. The government house leader has been allowed to place on the record one side of the story—

Mr. Speaker: Order, please. The hon. member will have an opportunity later to place before the house any other considerations. It seems to me that the hon. member has submitted representations, has raised a question of privilege, and it will be for the Chair to rule in due course whether there is a question of privilege, and if there is to allow the hon. member to make a motion if he wants to do so.

The hon. member disagrees with the facts, or the allegations if he prefers, advanced by the minister, and he can rely on the Chair to take everything into account in considering the matter.

Mr. Nielsen: The point remains, Mr. Speaker, that the house leader has got these matters on the record—

Mr. Speaker: Order, please. Orders of the day.

Mr. Nielsen: Mr. Speaker, I still wish to place on the record the other side of the story, which in all fairness I believe the house should hear because it affects the privileges of all hon. members.

Mr. Speaker: Order, please. I think what the hon. member wants to do now is begin a debate on the matter. The question has been put before the Chair. The hon. member will realize that if he is allowed to speak a second time on the question of privilege this will definitely open a debate and other members will want to speak once, twice or even more. To my mind the matter is not complicated; it is a very easy matter for the Chair to study. I therefore ask the co-operation of the hon. member for Yukon to allow the Chair an opportunity to study the matter, consider it objectively and in due course render an opinion which I hope will be satisfactory.

EXTERNAL AFFAIRS

VIET NAM—POSSIBLE MEETING OF INTERNATIONAL TRUCE COMMISSION

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 Secretary of State for External Affairs to ask whether the press report is correct to the effect that India informed Canada that it had no interest in having a meeting of the Geneva truce committee convened unless Poland would signify interest in it in advance; furthermore, that in so far as Poland is concerned, the attitude has been negative.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I have not had any intimation to this effect from anyone speaking on behalf of the government of India. I am sure the commission can only act, in accordance with the Canadian proposition, on the basis of an agreement among all three member states.

Mr. Diefenbaker: Has there been that agreement?

Mr. Martin (Essex East): I have had discussions with representatives of both governments and we are now waiting for their replies.

Mr. Diefenbaker: Does the minister say there is no foundation for the press report to the effect that India stated that without the acceptance of such a meeting to Poland on Poland's terms, India would not join with Canada?

Mr. Martin (Essex East): I have not seen the press report, Mr. Speaker. I have had no

information to this effect, as I have said, from the government of India. I did add that it is clear that the commission would have to be unanimous before the commission itself could undertake the responsibility which Canada has proposed. I was told only this morning, upon making inquiries, that the high commissioner for India and the Polish ambassador here are not yet in a position to give us the official reaction of their governments.

Mr. Diefenbaker: Then perhaps I might ask one more supplementary question, Mr. Speaker. Has the Canadian government directed the Canadian representative on the commission to communicate with the government at Hanoi with a view to bringing about a reconvening of the Geneva truce committee? What authority has been given to the Canadian representative, and what report has he brought to the attention of the government?

Mr. Martin (Essex East): Mr. Speaker, it is a fact that the Canadian member of the commission, Mr. V. C. Moore, who has succeeded in that assignment Mr. Blair Seaborn, paid his first official visit to Hanoi a few days ago. As my right hon. friend knows, the members of the commission and the commission itself make frequent visits to the capital of North Viet Nam.

Mr. Diefenbaker: When was the last time a Canadian visited Hanoi?

Mr. Martin (Essex East): The last time was late last summer, after that visit to which my right hon. friend directed our attention on June 3 last. However, the visit of Mr. Moore had nothing whatever to do with the proposal that Canada has made to the other two members of the commission. Mr. Moore went there pursuant to his obligations as a member of the commission, in accordance with the well established practice of the commission.

But I may say that the Canadian government would not find itself in any way restricted from giving instructions, in connection with an opportunity that might exist, if it thought that this might lead to the opening of negotiations; because the government shares, with my right hon. friend and other members, the conviction that anything we can do to bring an end to the conflict is the clear duty of the government of Canada.

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask a supplementary question. May I ask the minister why, if Mr. Moore was in Hanoi within the last ten days and communicated with the government of North Viet Nam, this opportunity was not made use of to sound out the government of that country with a view to seeing if there were some common ground upon which negotiations might be based?

Mr. Martin (Essex East): Mr. Speaker, I do not know where my hon. friend got the basis for his question. Mr. Moore had a very fruitful discussion with the Prime Minister, with the foreign minister, and a vice minister in charge of defence in North Viet Nam. However, his conversations had nothing to do with the proposal that we have been discussing within India and Poland, but it was a useful discussion covering the kind of matters that would be of interest and concern to anyone in this house who wanted to see a cease fire effected, and who wanted to see an end to the conflict in Viet Nam.

Mr. Douglas (Burnaby-Coquitlam): May I ask the minister if any hopeful avenues of discussion were opened up as a result of Mr. Moore's meeting with the government in Hanoi? May I also ask if, as a result of his visit within the last few days to Washington, there seems to be any hope that the government of the United States would be prepared to include in any peace negotiations a delegation from the national liberation front of South Viet Nam?

Mr. Martin (Essex East): Mr. Speaker, the fact that members of the commission are able to have access to the government at Hanoi is in itself a helpful fact. The fact that discussions did take place is also a helpful fact.

Mr. Diefenbaker: There has been five months delay since the Canadian representative was last there.

Mr. Martin (Essex East): My right hon. friend refers to a five months' delay. I am sure in a matter of such great delicacy, one which caused him to make an important pronouncement the other day about the desirability of a conference, he would want to be very helpful.

Mr. Douglas: The minister overlooked the second part of my question. I asked the minister if, as a result of his visit to Washington, he found any inclination on the part of the government of the United States to agree to a meeting with representatives of the national liberation front in any peace negotiations.

Mr. Martin (Essex East): This was not the particular reason for which I went either to

the United Nations or to Washington. The main purpose of my visit to the Secretary General and to the Secretary of State of the United States was to exchange views on the present course of developments and to explore ways of bringing the Viet Nam conflict closer to a conference situation.

As the house knows, it is the objective of the government to see the Viet Nam conflict brought to an end through negotiation. All promising proposals which are designed to carry us closer to that objective will have Canada's support. Earlier this month, as my hon. friend knows, the Viet Nam question was inscribed on the agenda of the Security Council. We welcomed this because we believed that the United Nations could not remain indifferent to a conflict which has grave implications for international peace and security.

But there are practical difficulties in the way of effective United Nations involvement. I must tell the house frankly that I am not hopeful that much headway can be made on Viet Nam in the United Nations at this stage. I do believe, however, there is a very real possibility that members of the international commission will be able to play a useful role. The commission powers have had a long and close association with the Viet Nam problem, and they are the only group of nations with ready access to both sides. I think it is important, therefore—

Mr. Speaker: Order, please. I hesitate to interrupt the Secretary of State for External Affairs on such an important matter. If the house wants to hear the minister further, it is at the discretion of hon. members, of course. However, it does appear the minister is now making a statement rather than answering a question submitted to him by the hon. member for Burnaby-Coquitlam.

Mr. Martin (Essex East): May I just say, Mr. Speaker, I had assumed that, because of the importance—

Mr. Speaker: Order, please.

Mr. Diefenbaker: In view of the importance of this matter, the house waits with bated breath for an answer. So far we have just had the prelude.

Mr. Martin (Essex East): I make no apology, Mr. Speaker, for making a careful—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): I make no apology for making a carefully considered and extended statement on a matter which the right hon. gentleman properly said the other day in this capital city was one of the most important problems facing the world at the present time. I went to the Secretary General of the United Nations and to the Secretary of State for the United States, to discuss from a Canadian point of view a matter that has all the implications which the right hon. gentleman noted, and which we all recognize. I think it is important that there should be no misunderstanding about what the Canadian government is trying to do, and about what I was trying to do on behalf of that government when I was at the United Nations and in Washington the other day.

What we want to find out, first of all, is whether there is a general consensus in favour of some action by the commission powers. If there is, we shall want to give careful thought to the next stage. We do not think it would be realistic to expect an immediate call for resuming the Geneva Conference to produce results in the present circumstances. There are obstacles which should be removed before such a conference can be usefully called. At the present time the road to a conference may be long. We all hope it will not be. However, whether it is long or not, a beginning will have to be made, and we think the commission powers may be able to help the parties make such a beginning. It is on these lines that I spoke to the Secretary General and to Secretary Rusk last week.

I am happy to tell the house that their response was encouraging. We shall now be pursuing our discussions with the commission powers and with other interested parties to see what this country and the commission members can do to help bring an end to the war in Viet Nam.

Mr. Douglas: Would the minister now answer my question, as to whether he found any inclination on the part of the United States government to meet with the national liberation front in order to begin negotiations?

Mr. Martin (Essex East): Mr. Speaker, the position the government of the United States wishes to take on these matters must be announced by it. I clearly indicated what we thought were the measures that must be taken to enable a conference to take place.

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

Mr. Speaker: Order. We have already had a number of questions on this matter and

quite a few supplementaries. I suggest to hon. members that we should turn to another subject now, and if there is time before the expiry of the question period hon. members with supplementaries might ask related questions.

[*Later:*]

Mr. David Lewis (York South): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs and ask him whether, in his discussions with the Secretary of State in Washington, he sought an assurance from the United States administration that they would cease bombing North Viet Nam as soon as arrangements for a conference such as he seeks are under way? If he did, would he say what the reply was?

Mr. Martin (Essex East): Mr. Speaker, my hon. friend knows perfectly well that in matters of this sort it is not possible for me to give the kind of reply which I should like to be able to give.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): My hon. friends say "oh, oh", and that is their privilege. I must say I cannot believe there will be general approval in the country of the stand that some hon. gentlemen are taking with regard to a matter of this vital importance. I am sorry I cannot give an answer to the question put by my hon. friend in the particular form in which he puts it, but I did have with Secretary of State Rusk a very full discussion of this matter, particularly with regard to the role which Canada feels the commission might be able to play in this very difficult situation.

Mr. Lewis: A supplementary question. If the minister is unable to say what Mr. Rusk's reply was, can he at least inform the house whether he, on behalf of the government of Canada, sought an assurance that this bombing would stop?

Mr. Speaker: Order. The hon. member is repeating the question he has already asked.

[*Translation*]

FAMILY ALLOWANCES

QUEBEC—REQUEST FOR TRANSFER OF ADMINISTRATION

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to revert to a most interesting subject and put a question to the right hon. Prime Minister.

[Mr. Speaker.]

Could he say whether he or a member of the government has received from Mr. René Lévesque, minister of Social Welfare of the province of Quebec, a request for transfer to Quebec of family allowances administration and jurisdiction in return for an equivalent tax compensation?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this is a question for me and for all my colleagues and naturally I cannot answer it without consulting them. Perhaps my hon. friend will put the question on the order paper.

HOUSE OF COMMONS

VISIT TO OTTAWA OF NEW ZEALAND OMBUDSMAN

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Prime Minister and it has to do with the visit to Ottawa today of Sir Guy Powles, the New Zealand ombudsman. It also relates to the announcement made on several occasions that the government intends to consider establishing such an office. Has the Prime Minister made arrangements for himself or members of his government to meet with Sir Guy Powles to discuss this very interesting and urgent problem?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I do not know whether arrangements have been made by any of my colleagues. We would, of course, be very glad indeed to meet with the gentleman in question and discuss his experiences in this role in New Zealand.

VETERANS AFFAIRS

REQUEST FOR REVIEW OF PENSION ENTITLEMENT OF WIDOWS

On the orders of the day:

Mr. L. M. Brand (Saskatoon): Mr. Speaker, I have a question for the Minister of Veterans Affairs. In view of the revelations on the television program "This Hour Has 7 days" last evening, will the minister consider reviewing the case of the widow of airman Edward E. Chambers and other cases like it with regard to pension entitlement?

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

METHOD OF DEALING WITH INQUIRIES BY MEMBERS

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, my question is directed to the Minister of Veterans Affairs and has to do with the change of policy on the part of the Department of Veterans Affairs which apparently has not been announced by the minister. When, and for what reason did the minister instruct the district pension advocates to refer all inquiries from members of parliament to the deputy minister or the departmental secretary?

Some hon. Members: Hear, hear.

Mr. Speaker: Order. If this question is in order it should be placed on the order paper.

THE AUDITOR GENERAL

SUGGESTED PROVISION OF GREATER INDEPENDENCE AND AUTHORITY

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Prime Minister which he might like to take as notice. In view of the very important allegations made by the Auditor General in his last report and in view of the very important role that this official plays, would the Prime Minister give early consideration to amending the Financial Administration Act to provide for greater independence and authority for that office?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will be glad to look into the matter.

CANADIAN BROADCASTING CORPORATION

SASKATOON—APPLICATION FOR TELEVISION STATION

On the orders of the day:

Mr. Reg Cantelon (Kindersley): Mr. Speaker, I have a question for the Prime Minister. Now that the Prime Minister has received the letter with the petition from 325 professors at the University of Saskatchewan asking that the federal government permit the Canadian Broadcasting Corporation to establish and operate a television station in Saskatoon, will he urge the Board of Broadcast Governors to issue a permit for a C.B.C. station in that area?

Mr. Speaker: Order. This is another question which I suggest to the hon. member he might want to place on the order paper.

Inquiries of the Ministry

FINANCE

U.S. TAX ON RAPESEED OIL AND MEAL

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I should like to bring a matter of urgency to the attention of the Minister of Finance before he drafts his budget. It has to do with duties and tariffs on edible oils. Is the minister aware of the fact that edible oils such as rapeseed oil and others coming from the United States, Sweden and Germany enter Canada duty free while Canadian edible oils, in particular rapeseed oil, sold to the United States are subject to a one cent per pound extra import tax? Rapeseed meal going to the United States bears a tariff of $6 per ton. Would the minister take this into consideration when he drafts his budget?

Mr. Speaker: Order, please. I am sure the minister will do that. If the hon. member wants to pursue the matter further he might place his question on the order paper.

Mr. Rapp: Ten o'clock.

COAL

NOVA SCOTIA—INQUIRY AS TO ASSISTANCE PROGRAM

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Minister of National Health and Welfare in his capacity as the minister from Nova Scotia. Would the minister indicate whether $25 million in aid to the Cape Breton coal industry will be made available and would he specifically make reference to the $10 million promised to open a new mine at Lingan?

Mr. Speaker: Order. The hon. member poses a very important question but it cannot be asked of the minister as a minister representing a specific district or province. The question can be asked of the minister only in his official capacity as minister of a certain department.

Mr. MacInnis (Cape Breton South): Mr. Speaker, I put the question to the minister because of his participation in the announcement of government policy in this respect, and I feel he is capable of answering.

[*Later:*]

Mr. MacInnis (Cape Breton South): I wish to direct my question at this time to the Minister of Mines and Technical Surveys and

ask him when the promised $25 million will be made available to Cape Breton mines and in particular the $10 million required to open the new mine in Lingan.

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, I have already said that we were waiting for the Donald report.

Mr. MacInnis (Cape Breton South): That is not what the former minister said.

Mr. Pepin: Mr. Speaker, we are reviewing the situation of the coal industry in the maritimes, and at the appropriate time this question can be brought up in debate.

Mr. MacInnis (Cape Breton South): A supplementary question, Mr. Speaker. I would ask the Minister of Mines and Technical Surveys to review the policy statements made—

Mr. Speaker: Order, please.

Mr. MacInnis (Cape Breton South): —by the former minister of labour and ask him what the Donald report has to do with an announced policy of aid.

Mr. Speaker: Order, please. I believe the hon. member's question is supplementary to a certain extent. The original question was in order, but the supplementary question seems to be of a general nature not requiring an urgent reply at this time.

Mr. MacInnis (Cape Breton South): A further supplementary question, Mr. Speaker. I would remind the house that there was nothing wrong with the supplementary question, it was only the answer which was out of order.

Mr. Speaker: Order, please.

Mr. MacInnis (Cape Breton South): A supplementary question to the Prime Minister. I would ask the Prime Minister, in that a policy announcement by a minister is no longer an accepted responsibility of that particular minister, does this mean that in future no minister will be allowed to make policy statements announcing matters concerning other than his own department?

Mr. Speaker: Order, please.

ADMINISTRATION OF JUSTICE

SEAFARERS INTERNATIONAL UNION—PROSECUTION OF MEMBERS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Solicitor General. Can the Solicitor General inform the house what progress is being made by the Royal Canadian Mounted Police in their inspection of the records seized from the headquarters of the Seafarers International Union with a view to the possible laying of charges against Mr. Banks and some of his close associates?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I instructed the R.C.M.P. to continue the investigations that they were conducting at the time they were halted by the court proceedings. I am unable to add anything further.

DOMINION-PROVINCIAL RELATIONS

USE BY PROVINCIAL GOVERNMENTS OF CONDITIONAL GRANTS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, would the Prime Minister say, having regard to the difficulties that have been experienced in the province of Quebec, particularly by McGill University during the last few days, and which led to the intervention of two ministers, the Minister of Industry and the Minister without Portfolio, whether any provincial government may now use funds designated for a general objective for a purpose other than that for which the payment is made? In other words, is Premier Lesage justified in his view that the $17.5 million paid to the province of Quebec can be used not for education in any particular but for the building of roads? Is that the Prime Minister's understanding of the unconditional nature of conditional grants?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, my understanding, I repeat, is that the money was made available to the province of Quebec by the federal government for aid to education.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I have a supplementary question for the Prime Minister.

Could he assure the house that his government will not interfere in any way in the field of education which, according to the constitution, comes under provincial jurisdiction?

Mr. Speaker: Order. The question is out of order at this time. The hon. member's question is of a very general nature and consequently has nothing urgent at this time.

PUBLIC SERVICE

REQUEST FOR ESCALATOR CLAUSE IN SUPERANNUATION ACT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Has the Prime Minister seen the letter sent to him by the president of the Federal Superannuates National Association asking for an escalator clause to be put into the Public Service Superannuation Act? If so, can the Prime Minister say what reply he has made or will make to that letter?

Mr. Speaker: Order, please. The hon. member asks if the Prime Minister has received or seen a letter. That is not a subject which is considered as urgent at the present time. I would ask the hon. member to put that question on the order paper, or debate it on another occasion.

DIVORCE

ROYAL COMMISSION CONSIDERATION OF DIVORCE AND ABORTION

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question I should like to direct to the Prime Minister. I wonder if he can say whether the government will give early consideration to the request made, I believe today, by the Business and Professional Women's Clubs of Canada that royal commissions be established in the matters of divorce and abortion.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it is true that for those who were there this morning it was a very satisfactory meeting with the organization in question. We did receive that recommendation, among others, and I informed the representatives of the organization that the government would give consideration to all their recommendations.

FISHERIES

INQUIRY AS TO DISCUSSIONS RESPECTING GEOGRAPHICAL CO-ORDINATES

On the orders of the day:

Hon. J. A. MacLean (Queens): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs and ask him if he was able, as he hoped he would be, to discuss with United States representatives the implications of the Territorial Sea and Fishing Zones Act; and whether as a result of this

discussion the minister is now in a position to state that the government is able to establish geographical co-ordinates to protect the contiguous areas along our coast for the exclusive use of Canadian fishermen?

Hon. Paul Martin (Secretary of State for External Affairs): Yes, Mr. Speaker, I did discuss this matter of territorial waters and fishing zones with Mr. Rusk and his colleagues. We resumed our negotiations and I think we made some progress on Friday and Saturday last. We are now awaiting a response to proposals that the Canadian government has made, designed to establish exclusive fishing zone rights for Canadian fishermen.

Mr. G. L. Chatterton (Esquimalt-Saanich): A supplementary question, Mr. Speaker. Can the Secretary of State for External Affairs say whether the negotiations with other countries involved have been concluded?

Mr. Martin (Essex East): No, Mr. Speaker.

[*Later:*]

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs to seek some clarification of the reply given earlier to the hon. member for Queens in respect of the negotiations in Washington concerning the 12-mile limit and the base line co-ordinates. If I heard the minister correctly, the minister said we had now resumed negotiations. In view of the many occasions upon which we have been told in the house by the hon. gentleman himself and more particularly by the Minister of Fisheries that we have been pressing forward vigorously with negotiations concerning this matter—

Mr. Speaker: Order. The hon. member knows that questions should not be prefaced by lengthy preambles. I would invite him to put his question at this time if he has one in mind.

Mr. Barnett: My question is simply this. In view of the minister's statement that he has resumed negotiations, would he inform the house when it was that the earlier negotiations with the United States ceased?

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Prime Minister. I wonder if the Prime Minister will

use his good offices to arrange the business of the house so that we might bring forward the bill in the name of the hon. member for York East (Mr. Otto) to bring about the relief in regard to old age security that I believe the house now desires.

THE CANADIAN ECONOMY

STEPS TO MEET INCREASE IN COST OF LIVING

On the orders of the day:

Mr. H. R. Ballard (Calgary South): Mr. Speaker, may I ask the Prime Minister a question. In view of the concern across Canada relative to the increase of the price of food, would the Prime Minister assure the house that the government is taking steps to stop the spiralling cost of living?

Mr. Speaker: Order, please. This also is a question of a very general nature which cannot be accepted at this time.

INCOME TAX

REQUEST FOR INCREASED EXEMPTION FOR MUNICIPAL COUNCILLORS

On the orders of the day:

Mr. Max Saltsman (Waterloo South): Mr. Speaker, I have a question for the Minister of National Revenue. Can the minister inform the house whether he has received representations from the Ontario Municipal Association requesting an increase in the exemption respecting remuneration paid to municipal councillors, and if so, what action does the minister intend to take regarding this request?

Mr. Speaker: Order, please. I suggest the hon. member place this question on the order paper.

INDUSTRY

AUTOMOBILE PARTS—RECOGNITION OF CANADIAN COMPANIES AS ESTABLISHED SUPPLIERS

On the orders of the day:

Mr. A. D. Hales (Wellington South): May I direct a question to the Minister of Industry. What steps does the minister propose to take to stop the practice which apparently exists whereby Canadian car part manufacturers have been told that they will not receive any orders unless their companies have first been recognized as established suppliers, and that this certification must come from the United States head offices of Canadian car manufacturers?

[Mr. Winkler.]

Mr. Speaker: Order, please. I believe this is a very important question, but it seems to me that it could easily be placed on the order paper with the hope that an answer will be received at an early date.

Hon. Michael Starr (Ontario): Mr. Speaker, I rise on a question of privilege at this time. I have listened today during the question period, to you advising members to place their questions on the order paper, and I agree with you that this should be the case. On the other hand, when you look over the orders of the day and find that over 450 questions remain unanswered you begin to wonder whether there is any use in putting questions on the order paper. Today, for example, there were some 40 of this group of 400 or 500 questions answered. If we are not going to get answers within a reasonable time to questions that are being placed on the order paper, there is no use putting them there, especially when we cannot get answers on orders of the day even from the ministers.

BUSINESS OF THE HOUSE

INQUIRY AS TO INTRODUCTION OF LABOUR SAFETY CODE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): My question is directed to the Minister of Labour. Can he say when the proposed legislation to be known as the Canada labour safety code will be on the order paper?

Hon. J. R. Nicholson (Minister of Labour): At an early date, Mr. Speaker. I cannot suggest any definite date at this time.

Mr. Knowles: A supplementary question, Mr. Speaker. Can the minister say whether this legislation will include the health and sanitation provisions which were discussed last week with the Canadian Railway Labour Executives Association?

Mr. Speaker: Order, please.

LABOUR RELATIONS

INQUIRY AS TO STRIKE AT ATOMIC ENERGY REACTOR

On the orders of the day:

Mr. David Orlikow (Winnipeg North): May I direct a question to the Minister of Mines and Technical Surveys and ask him if he has had an opportunity since Friday to make inquiries in connection with the strike at the

atomic energy reactor at Pinawa. If so, can he tell the house if there is likely to be a settlement shortly?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): I would ask the hon. member to be present at ten o'clock tonight. An hon. member has already raised this question. It will be dealt with tonight at ten o'clock.

ONTARIO—PROGRESS OF NEGOTIATIONS IN TRUCKING STRIKE

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to ask the Minister of Labour whether he is prepared to give us a short report on what is happening in connection with the Ontario truckers strike and whether there is any glimmer of hope for a solution?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I am very pleased to do so in view of the seriousness of the matter. The parties are meeting today. They are in continuous session under the joint chairmanship of the deputy minister of labour of Ontario and a senior official of my department. I can only report progress at this time.

[*Translation*]

URANIUM

REPORTED DELEGATION TO DISCUSS SALE TO FRANCE

On the orders of the day:

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

Could the hon. minister tell us whether it is true that a delegation of the French government is coming to Canada very soon in order to discuss Canada's sale of uranium to France?

[*English*]

Hon. Robert Winters (Minister of Trade and Commerce): I have not heard of any such delegation, Mr. Speaker.

FINANCE

SUGGESTED PROVISION OF INSURANCE FOR BANK DEPOSITS

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to address a question to the Minister of Finance. Will he inform the house whether he is considering favourably the introduction of federal legislation to provide insurance for deposits in banks and near banks such as trust companies?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I think the only answer I can give to a question like that is that government policy will be announced in due course.

HEALTH AND WELFARE

MEDICARE—INQUIRY AS TO LEGISLATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I remind the Prime Minister of my question of last Thursday relating to a medicare timetable? At the suggestion of Mr. Speaker I filed it for the "late show". I hope some responsible minister will be here tonight to answer it, preferably the Prime Minister himself.

Right Hon. L. B. Pearson (Prime Minister): Nothing will give me greater pleasure, Mr. Speaker, than to be here tonight at ten o'clock.

SUPPLY

The house in committee of supply, Mr. Batten 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 $2,560,546,715 for the purposes of votes 1, 5, 15, 20, 25, 30, 35, 40 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 $1,044,262,000 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 in respect of assistance rendered to the United Nations, any party of the North Atlantic Treaty Organization or any provincial or municipal government, $5,204,855.

The Chairman: The hon. member for Kootenay West.

Mr. Lambert: On a point of order, Mr. Chairman, the hon. member for Digby-Annapolis-Kings called it six o'clock on Friday evening and I think by courtesy he would have the floor on this occasion.

The Chairman: I apologize. The hon. member for Digby-Annapolis-Kings.

Mr. Nowlan: Thank you, Mr. Chairman. I had not necessarily intended to take part in this debate but in view of what the minister said in his technical countdown of the mechanics and new weaponry and the methods of management which the Department of National Defence is now following I felt it

incumbent upon me, as one who has the honour to represent a constituency which has therein one of the largest air force bases in Canada, namely, Greenwood, to draw attention to what, I submit, is a major point of weakness in the hon. gentleman's review of his estimates before this committee.

Greenwood, which is in the heart of the constituency I represent, always causes a quiver at election time but we never quarrel with the legitimate hopes and aspirations of those airmen who wish to make their service in the air force a full time career. On Thursday last, as reported at page 1423 of *Hansard,* the minister tried to slough off one of the basic problems confronting service personnel in Canada. I do not intend to talk about the policy toward Viet Nam or the policy of integration other than as it affects our servicemen. I take exception to this statement by the minister, as found on page 1423 of *Hansard*:

> —the important problems relating to individuals in the armed forces today are not those resulting from integration; they are the same real problems affecting men and women in all walks of life, that is, pay, allowance, housing, career opportunties, etc.

The hon. gentleman continued in that vein. I submit that the minister blandly restricted the problems of servicemen to those encountered by men and women engaged in industry and business. He gave a detailed countdown of management methods and new mechanical equipment, some of which, we hope, will achieve more lasting fame than the bomb toss computer. Nowhere did he mention the subject of morale. Other speakers in this discussion have mentioned morale. But the minister maintained complete silence on the matter although his other observations were protracted enough. Frankly, that does not amaze me.

I have to be honest and admit that so far as the principles and philosophy of integration are concerned I am one who is really sympathetic toward the minister. My difference of opinion concerns the way in which the policy of integration is implemented. When a minister, in reviewing the details of the work of his department after such a radical policy has been attempted, makes the claim that there are no problems so far as personnel are concerned other than those which would normally face men and women in industry and business he is, I suggest, being irresponsible. Unless he admits that there is a manpower problem and, specifically, a manpower problem relating to morale, he is being very irresponsible.

It is necessary to recognize a problem before action can be taken to resolve it. Yet despite all the astuteness and aplomb of the minister he remains completely neuter on one of the basic qualities of the entire armed services, their morale and esprit de corps. It is his blind spot, and compared with him the one-eyed Cyclops monster of old had 20-20 vision.

I have quoted what the minister said about service problems. Of course service personnel are concerned about the things he mentioned, career opportunities, allowances, housing and so on. But does the minister think seriously for a moment, if indeed he thinks at all, that the economy, the rising cost of living and family matters account for the insecurity and frustration felt by the great majority in the services today? Does he not acknowledge even remotely that the purchase of so-called permanent commissions has created confusion and uncertainty for those left in the services who had hoped to make it a permanent career?

• (3:50 p.m.)

While the re-engagement policy announced during the course of this debate is helpful, I submit it is somewhat of a sop too and perhaps an acknowledgement of the morale problem. But I am afraid it is too late and too little. Does not the minister honestly think that an officer or an enlisted man would be wary of re-enlistment when he or his friends, even though permanently commissioned, had received the pathetic and prophetic "Dear John" letters? Certainly for those in short service an extension from year to year or every three years does not allow a mature man to plan his future with any confidence. It is too bad the minister never pruned trees for if he had he would know you cannot cut off the top without injuring the base.

Again, Mr. Chairman, there is the problem of the permanent commission and the way in which many, the hundreds we have heard about, were bought out. But in another area does the minister think that the problem between the permanent commissioned officer and the short service man with regard to their respective pensions is similar to any situation on "civvy" street? I wonder how many unions would allow two men both trained for the same job and doing the same

work, albeit hard and dangerous work, one on short term and one on permanent commission, to have such dissimilar benefits payable to their survivors in the event of an unfortunate and fatal accident? These benefits are so dissimilar that it is a wonder we have any short service personnel in the services today.

I hope that during the course of this debate the minister will announce that the government is at least taking steps to remove the penalty for short service so that the problem with regard to the short term and permanent commissioned men will be resolved. It does seem unjust that two men flying together, both contributing to pension plans, should leave such dissimilar benefits for their survivors just because one is on permanent commission and the other is on short term service.

Along with the cutback and freeze at the top there is a further area which gnaws at the serviceman in marked contrast to the man in industry or business. Here I would suggest that the minister is hoist with his own petard, for in an expanding, busy economy there is room for advancement and promotion for those who wish to work and who are trained for it. Contrast this with the situation in the services where you have the freeze at the top, the freeze in the middle, the freeze at the bottom and the cutbacks which have occurred during the past two years. Where can a qualified, energetic man who wants to make the services his career find room for advancement when there are these freezes and cutbacks? I submit that the lack of advancement due to the minister's integration policy is the dry rot which eats away at morale, and this the minister has failed to acknowledge, let alone resolve.

There are some who say that the serviceman is already a political eunuch in that he can vote but not participate in political affairs. There may be sound reasons for some of the restrictions on political activity although personally I think some of those reasons are outdated. But I submit there is no justification for a moratorium on morale which, if allowed to continue, may let the forces integrate in a form which will be a faceless one without the spirit, colour and strength developed through the sadnesses and sacrifices of the past.

When he gave his detailed review and statement the minister showed a lack of concern by not mentioning the word "morale". Morale, I submit, is one of the foundations of any effective force regardless of the methods used to train and manage it. His review was impersonal. It was cool. It was like an I.B.M. computer. We need those machines but I submit that a man in the responsible position of the minister has to bring some personality to the services instead of treating them in an impersonal way.

You can only build up the strength of the future by relying on some of the traditions and colour of the past, but when the minister comes before us with his revolutionary policy of integration and does not once mention the word morale in his review I submit this is cause for grave concern.

Mr. Schreyer: Mr. Chairman, I make no pretence to being well informed on matters relating to national defence or to being an expert on the subject but because I feel in good company in this respect I should like to make some remarks. I believe there are many hon. members who are in the same position as I and other new members who are confused, bewildered and perplexed as to just what is the state of Canada's defence capability in the year 1966.

There is confusion in the minds of the public across the country because on the one hand we have heard statements emanating from the minister's office to the effect that integration has been a success and that the savings to be derived from the new integration policy can be devoted to the acquisition of more, as the minister likes to put it, military hardware. On the other hand, having listened to members of the opposition such as the hon. member for Calgary North and my colleague from Vancouver East, it becomes clear that the government has not in fact succeeded in diverting any of these rumored savings into the acquisition of additional quantities of better and more modern weaponry.

If there has been such a drastic reduction in personnel, then why was there not extra money available for the acquisition of more up to date weaponry? Expenditures by the department can only be made in three directions or for three purposes. The first is to pay for the personnel who serve in the armed forces. The second is to pay for the costs of administration and the third is to pay for the acquisition of more modern weaponry.

The reduction in personnel, which apparently has taken on all the characteristics of being dangerous to the morale of the forces, must have resulted in savings. Where has this money gone? If it is true, as stated by the

hon. member for Calgary North the other day, that only 12 per cent of the defence budget has been allocated for new equipment, then what has happened?

• (4:00 p.m.)

I think it is incumbent upon the minister to explain clearly to the members of the committee and to the Canadian public as a whole just where all this money is going. It seems very confusing that the department's policy in one year should be to retire people from the armed services and pay them rather lavish retirement bonuses but in subsequent months, when faced with a shortage of trained military personnel, to transfer men from one unit in order to bring another up to full strength. It also seems strange that the department now finds itself in the position of having to pay re-enlistment bonuses in order to entice people to remain in the services. This seems to be a complete contradiction of policy in the course of a very few months. It may be that the policy of this department in this regard has been given a good public image but it seems to me that the results indicate something quite different.

I am of the opinion that the public relations efforts that went into this change have been very expensive and I am not sure that this has not succeeded in giving the people of this country and the members of this committee an entirely misleading and false impression of the reality of the situation. It seems that we are looking at a hoax of epic proportions because it does not appear possible that Canada's defence capability has been improved during the course of the past year or 18 months. Certainly this cannot be the case when we have been able to allocate only 12 per cent of the defence budget to weaponry acquisition, unless that figure is wrong. If the figure is wrong I should like to hear the minister refute it.

I have no intention of speaking further on matters of broad policy concerning this department but I do wish to make some remarks concerning the administrative practices followed by the department in the acquisition of land for departmental purposes. I refer specifically to the decision of the Department of National Defence to expropriate several thousands of acres of land, including an entire village, in order to enlarge the area of Camp Valcartier.

This decision taken by itself may seem to be concerned with only a small isolated incident in the department's activities but it does raise several questions that deserve consideration. First of all, what specific military purposes demanded or necessitated that this particular army camp be enlarged? According to my information, the army now has large blocks of land for training purposes in close proximity to that camp, although perhaps not adjacent. Even though it were agreed that the military did require extra land for its purposes, could not the department have acquired that land in more unsettled areas where the land is not being used? Canada is not a densely populated land. There are hundreds of thousands of acres of open space which could be utilized for such purposes. Why is it so necessary to expropriate farm land and an entire village?

The procedure that was followed by the department in an attempt to acquire this property near Valcartier makes me curious. From all accounts I have heard and articles I have read I have gained the impression that the officials of the government expropriated first and then negotiated as to the price to be paid to the property holders. It seems to me that the statutory power to expropriate should not have been invoked unless free negotiation ended in a stalemate. To expropriate first and then approach the owners as to the price to be paid seems to me to be an abuse of this power.

I must admit that in the past six or so years there has been a tendency on the part of governments, federal and provincial, to take a more administratively convenient approach in acquiring property for the Crown. Governments today are rather more inclined to file plans of expropriation first in land titles offices and then go about the process of negotiating with the property owners the price to be paid. I think we have degenerated into a rather sorry state when we give preference to administrative convenience over the rights of individual small property holders.

It may well be that in respect of the land acquisition being attempted at this time near Camp Valcartier the government has in fact attempted to acquire the land through free negotiation. But that certainly is not the impression I have of the matter and I hope that the responsible minister or the minister who is informed in this regard will be able to give us some clarification.

It is also my impression that no high ranking official of the department has bothered to go to the area to meet with the people who are affected and that no attempt has

been made to discuss the necessity of the undertaking, relocation plans and so on. It would seem that emissaries from the department have gone there and given what amounts to an ultimatum to the residents. Surely this is unfortunate and highhanded. When the rights of individual citizens are concerned no effort should be spared to deal with them in a proper manner.

One other aspect of this whole program of land acquisition which rather intrigued me relates to the fact that it was a military person, I believe the commanding officer of the brigade, who got in touch with the people to inform them of the need for this land by the Department of National Defence. It strikes me as being very strange that military personnel should involve themselves in the process or procedure of land acquisition. Surely this is something that should be handled by civilian authorities. What possible justification can there be for having military personnel involve themselves in what is essentially a transaction between the government and the property owners?

At some appropriate time during the course of our consideration of these estimates I should like all these points to be explained. I hope someone will elaborate on the circumstances and offer some defence for the administrative procedures followed by the department in this particular case.

Finally, I think it is incumbent upon the minister to explain how it is that after months of a campaign to explain to the Canadian people that our defence policy is geared toward higher mobility of our armed forces through integration with a reduction of personnel and with the savings acquired therefrom to be reallocated to greater and more effective weaponry, we now find after all this talk that there is really no substance to it and that we have not apparently improved our defence capability one iota.

• (4:10 p.m.)

Mr. MacRae: Mr. Chairman, I should like to speak briefly on the estimates of the Department of National Defence. My interest in the subject is prompted by the fact that in the constituency I represent is found the finest military establishment in the British Commonwealth, namely, Camp Gagetown with its model city beside the camp, its new buildings and 427 square miles of what is the finest training terrain in this nation and perhaps in the world. As a matter of fact, Camp Gagetown is considered to be such a fine camp that military observers from all the nations of the free world come there during the summer concentration to watch the exercises and this winter the American marines finished a tour of duty there. They tell me that even this battle-hardened group found it a tough enough experience.

There are several units there at the moment, the Royal Canadian Horse Artillery, the Royal Canadian Dragoons, which have been mentioned in the debate, the Royal Highlanders of Canada, two battalions of the Black Watch, the new service battalion and the other units which I think can be considered to be Canada's finest military units.

Just as we in this House of Commons cannot be experts on everything, so in those subjects in which we do become interested we pick out certain factors we like to discuss and think about. My interest in defence is concerned more with the human factor, the person, the personnel. I should like to thank the minister for the unfailing courtesy he has afforded me in the defence problems I have taken to him, and especially the Associate Minister whom I see there beside him. I have on many occasions written to the Associate Minister of National Defence and his answers have always been helpful. I have not always received the satisfactory solution which I have sought but he has always been helpful indeed and I wish to express my thanks to him at this time.

Some hon. Members: Hear, hear.

Mr. MacRae: On Friday last, February 18, the Associate Minister announced that a re-engagement bonus would be paid. I was very pleased to hear this because on the order paper at this moment under the date of February 17, the day before, is a question in my name asking for the government to consider this matter. I also raised it when speaking in the debate on the Speech from the Throne and it was very much a subject of discussion of course, in the last election campaign in my riding.

For the record, Mr. Chairman, I advocated that there should be a re-engagement bonus paid because it seems to me that far too many men are being lost to the service at the end of their third, fifth or tenth year of service, as the case may be. I commend the minister and the government for this particular action in making available to the members of the armed services the re-engagement bonus. It is quite true, as somebody said last

Friday, that the payment of a re-engagement bonus may not bring any new people into the services but if it helps to retain the good men already in the forces it will have achieved a most worth-while purpose.

Another point I should like to make deals again with the human factor and morale. I refer to the matter of the accommodation provided for our men and women in the services. A few years ago when the hon. member for Calgary North was minister of national defence I asked him on a number of occasions to come to Camp Gagetown and to Oromocto, the city adjacent to the camp, and persuaded him not to have constructed any more of the so-called row housing. However, within the last year or two a great many units of this particular type have been built in Oromocto. I realize that many people in this nation live in apartments, that many people are living in accommodation that is not as good as the so-called row housing. But I would suggest to the Minister of National Defence and the Associate Minister that in spite of the extra $1,000 or $2,000 cost for each unit that is constructed we would be much further ahead if we constructed single family dwellings for the people in our armed services.

I realize that those units already started will have to be finished but I do urge that the minister should not continue the building of this row housing elsewhere. When you crowd families together with small children involved and having in mind also the exigencies of the service, I think one family under one roof is a very good idea or, just as the Chinese used to say, one woman to one home. I would ask the government and the minister specifically to consider this point in the future. I am sure the minister will.

Another point I should like to make is in connection with the soldiers' vote. The soldiers' vote is not a very happy subject for most Conservative members of Parliament to discuss. We seem to get a rather bad trimming at every election. It is rather difficult to understand this because we have their interests at heart too. Many of us have worn the uniform of the armed services of this nation. But there is an aspect of the soldiers' vote that I suggest should be looked into. It is the fact that some soldiers are enumerated twice. Here is the situation that developed in my constituency in the last election. Those soldiers living in homes in Fredericton and elsewhere in the various towns along the Saint John River were enumerated and, of course, shown as being in the services.

These men can vote at their home polls on election day and can also, I understand, vote in the service poll. All soldiers can vote in the service poll. I do not think I am incorrect in that. The net result is that it gives the opportunity for soldiers to vote twice. I do not say they do so; I would never make that assertion. But this is what actually happened in my constituency in the last election. We arranged with those who were supporting the Liberal cause in York-Sunbury that all soldiers who were enumerated should be deleted from the so-called civilian enumeration list and should vote in Camp Gagetown.

This was the situation. I do not like to put it on the record but I shall. We made the agreement that we would ask for half the soldiers in the city to be struck from the record and this was done on the understanding that the Liberal organizer would have the same thing done in the other half of the city. They did not fulfil their part of the agreement. We were neatly mousetrapped in this respect and a great deal of ill will was created.

I do not say you can legislate for matters such as this. You cannot legislate honesty and integrity. But I should like to make a suggestion to the minister which I am sure he will take into account. I suggest that the regulations in relation to the soldiers' vote be so amended that all soldiers vote in the service poll. There could then never be any doubt whatsoever about this matter.

There is another point I should like to make, Mr. Chairman, and it is a logistical one. I mention that I am more interested in the human factor. However, this question refers to the movement of our troops to any part of the world. I come back to our own Camp Gagetown. Beside Camp Gagetown we have an excellent airport which happens to be under the jurisdiction of the Department of Transport. The runways are not quite long enough to take the very large aircraft that are shortly to come into service. The DC-9's are an example. Within the next week or so a full battalion, I understand, of the Black Watch are to be moved to northern Norway well within the Arctic Circle. As the minister knows, this will be perhaps one of the most ambitious exercises of its kind ever attempted by the armed forces of this country.

• (4:20 p.m.)

They can be transported by Hercules aircraft which can use the Fredericton airport.

Some two years ago surveys were started with a view to the lengthening of the runways of that airport but nothing has been done. I believe that from a civilian point of view we are all right with the present aircraft that come in there. From a service point of view, and this is my only justification for raising the problem now, I think it would be to the advantage of the Department of National Defence to press for the extension of the runways of that airport so that troops which may be brought into or taken out of Camp Gagetown can be moved in the largest aircraft flying today. I am thinking especially of an emergency situation.

The minister in his remarks mentioned the Defence Committee. I would take the liberty of concurring fully in what he said. I have served on that committee since 1963. I think that of all the committees of the house this one fulfils its purpose to best advantage. It has been an excellent committee and has been well staffed. The member who chaired it last time, unfortunately from the Liberal point of view, went down to defeat. He was an excellent chairman and a good friend. I suggest to the minister that the Defence Committee should begin its work as quickly as possible. I hope that as soon as the estimates of the department are through the committee can proceed.

I was interested also in the minister's discussion of the reserve force. I do not know whether the minister is aware but two or three years ago when there was a drastic reorganization of the reserve force its morale dropped severely. I speak with some knowledge since I have long been interested in the reserve force and served in it for some 25 years. I have always maintained my interest in our defence establishment. He mentioned that General W. A. B. Anderson was to head the reserve force and this will be welcome news. General Anderson is an excellent officer and the reserve force deserves to have the leadership of such a man.

I have only one more point to mention and it has to do with education. It may seem as though I am digressing slightly but I assure you I am not. My own profession is teaching and I have taught many children of members of the armed forces. One of these youngsters told me that in 12 years of schooling she had gone to 15 different schools. This is no fault of the Department of National Defence. The exigencies of service demand that a man be moved on very short notice. The unfortunate part is that we have ten different systems of education in this nation today. I have seen teachers in Oromocto who have taken 10 or 15 minutes for lunch and have spent the remainder of their lunch hour attempting to help children who through no fault of their own had fallen behind as a result of their parents moving from province to province. While we must admit that education is a provincial matter, and you, Mr. Chairman, as a member of that time honoured profession realize this, I think that the sooner we achieve some uniformity in the field of education in this nation, the better. We know that the province of Quebec is very jealous of its rights in this field but if we can achieve uniformity in education we will be achieving something of great benefit to this nation.

I concur in the statements of the hon. member for Calgary North and others who have referred to the problem of morale in our forces and the fact that it is at a low ebb today. I hope that for the benefit of our nation and the benefit of our services this will change. I know that what the minister is trying to do he is doing in all sincerity. I have the highest regard for the minister personally and I know he believes in what he is doing. I submit that if he can bring up the morale of our forces more quickly it will help to achieve the objective he is seeking, that is, to have one of the finest military forces in the whole world.

Mr. Lambert: Mr. Chairman, speaking on the first item of the minister's estimates on this second day of the debate I do not believe one has to apologize in any way for the time that is being taken. After all, the minister must realize that his estimates have not been considered since 1964 and a great deal has transpired in the meantime. Certainly the minister and his staff have been very active in getting across to the people the fact that a great deal has been done in the department, that they were moving and that there was a certain spirit of dynamism in the department. The only point is that no explanation has been offered to the house.

I may say that I was disappointed in the minister's statement on Thursday evening. As a matter of fact, the hon. member for Winnipeg South Centre compared it with statements made by the minister in previous years. There was a great similarity, and there was a sort of Tweedledum and Tweedledee attitude between the minister and associate

minister. I say to the minister that before we complete this discussion he will have to have some serious answers to questions that have been put by my colleagues, the hon. member for Calgary North and the hon. member for Winnipeg South Centre. Other members have raised questions but they particularly have raised some very difficult questions which go to the whole root of the administration and policies of the Department of National Defence.

I must confess I was disappointed in the minister's statement. We were given a very brief general outline of the purposes of mobile command. Much more has to be said about this. There has not been an opportunity to discuss it in the committee because the decision to form mobile command, if I am correct, was announced on June 7 of last year. The minister indicated that the command was only formed on October 19 last. This is the first opportunity we have had to examine it. If we look at *Hansard,* page 1417, second column, second paragraph, we find the following:

> The formation of mobile command is basic to the philosophy of Canada's new defence policy.

• (4:30 p.m.)

If we fail to discuss the philosophy of that formation and the principles behind it, if there is no explanation given to the country, then the whole set-up of national defence is kept within the breast of the minister. We know he loves to approach us from some great Olympian height. All we have to do is read his speeches in the past. I would commend them to him today, and he would certainly change his attitude.

We also get a great number of laudatory articles about this subject. I picked up one this week end in the magazine "Air Force and Space Digest", the most recent issue. It contains an article entitled "Canadian Air Space, a Tightened Belt and a Clear Eye", and alongside is a picture of the minister. This is a well prepared piece by a Canadian newspaper man. I am not going to put his name on the record. This is a "flack" piece, if I may use the term.

There have also been other articles. I have a great deal of respect for Mr. John Gellner and some of his ideas. I do not agree with him all the time, and I would hope he would not fall into this category of "flack" writers. I have before me an article in the February number of the "Executive" which frankly is again in a similar vein.

[Mr. Lambert.]

It produces the same result. This is the sort of reputation that is being spread around, an invincible minister with invincible policies.

Quite frankly, in many instances the only people who do not agree with him are the people under him. If he thinks his policies have been sold to the people in the Department of National Defence, then I think he has a second think or even a third think coming to him. Far from it. Certain sectors of the armed services have not had explained to them and fail to see the principles behind a lot of the policies which are being put before them.

I should like to come back to the reference I made to the statement of the minister. As recorded on page 1417 of *Hansard* he said:

> The largest of the new functional commands, its task is to operationally train and maintain the land elements of the Canadian force and its tactical air support, and to keep this force in a state of combat readiness which will enable it to be deployed in units of the required size to meet Canadian commitments and undertakings anywhere in the world.

How innocuous can one get, Mr. Chairman? There is nothing new in that; this has always prevailed. The only thing that is new is the reference to tactical air support, but there is really nothing further in the minister's statement requiring elaboration.

In connection with the return to tactical air support by the Canadian armed forces, if the minister is serious about this and intends to go through with it then some explanation must be provided. This is a radical departure from what has been the case now for some time and it is certainly a significant departure so far as I can see from the whole concept of an integrated force.

We next come to this fine phrase:

> The prime ingredients in the force are quick reaction-time, the ability to go where required with dispatch, and to perform its tasks kith maximum effectiveness.

This has been a requirement of our defence forces from time immemorial. There is nothing peculiar about it. So far as "quick reaction-time" is concerned, any force commander, any army, any navy, any air force must have a quick reaction time. All that "the ability to go where required with dispatch" means is that the forces are to get to a certain place in the quickest way possible. That has always been a prime requisite. The reference to "to perform its tasks with maximum effectiveness" is again an underlying

principle which has existed since time immemorial. These conditions are supposed to be the keystones of the mobile command.

We want to know a number of things about mobile command and we are raising these questions now. I hope that the minister can give us some clarification. We are certainly giving him warning that when he and his officials are before the Defence Committee these matters will be studied in very great detail.

Mr. Hellyer: That is fair enough.

Mr. Lambert: However, we want something more at this time. We want to know why the government has decided on this concept of a baby expeditionary force, because that is all it is. It will be composed of segments of our armed forces which will be deployed in units of the required size to meet Canadian commitments and undertakings anywhere in the world.

For example, we want to know how the sea lift will be performed. We want to know who is going to provide the lift for the tactical air support. Does the minister anticipate that this mobile force and any segments which may be attached shall be required only within a narrow radius of Canada? What are we going to do if we have to go to the far end of South America? How does the minister expect to get this tactical air support down there? Will it have to travel to the Far East or the Middle East, across wide expanses of sea? How are these aircraft to be transported. Are they to be taken on the *Bonaventure,* or has the minister plans for some other type of ship to take these aircraft? Has he plans to purchase ultimately huge transport aircraft which as of now are just a gleam in some designer's eye? Or does he plan on flying these CF-5's in formation and then have them line up at some sort of aerial service station for refueling? These are all fundamental matters.

Let us suppose that the aircraft reach their destination. Who is going to furnish the supply train? Who will supply spares, ammunition, fuel and carry out repairs? Are we going back to the concept that Canada will supply everything, that the force will be entirely self-contained? Are we to be responsible for the supply train for what I call this baby expeditionary force? This, I am sure, has long been rejected, yet we must see what the minister is thinking in this regard.

I do not see how we are going to be able to maintain this type of aircraft with the limited resources we have at the present time. How is the refuelling to be done? I have heard rumours that the department wants to convert four of the CF-130B's into tankers. Our fleet of Hercules aircraft is already committed to other transport tasks. They are going to provide long range transportation for our troops. If one takes four of these from that task it means that one will have to have a commitment of six aircraft. I say this because there is always the regular maintenance of these aircraft and their periodic removal from service. Breakdowns occur. For example, the Zambian airlift required six aircraft, not four. We all know that one of the aircraft which flew out to Zambia had to be rotated back to Canada in less than a week for its periodic check and overhaul. Therefore we are going to require six aircraft, not four, and at the present time we do not have this particular type of aircraft in sufficient numbers, certainly not if the minister means to carry troops and equipment in sufficiently large numbers to be effective.

• (4:40 p.m.)

Again, this is a mobile force. Just how mobile is it? The hon. member for Winnipeg South Centre made reference to the M-113 which is an armoured personnel carrier. This is all very well for those people out in the forward battle positions. What about their supply? I venture to say that our ground forces today, in so far as supply is concerned, are very little more mobile than they were at the end of world war II. They are roadbound on wheels. We have few if any tracked vehicles to assist them. We have few if any aircraft at the very front. I know that there are now a few helicopters. I do not agree that we should have continued as we have. This is a point that we have raised, that the Defence Committee raised in 1963, and to which I have referred to many times in the past, namely, that in so far as our ground forces are concerned they are not mobile and have not been, any more than they were in world war II.

We are supposed to be operating in Europe so that the use of tactical nuclear arms is such that the underlying principle is mobility and dispersement. How can our forces disperse and how can they be mobile when they do not have the equipment?

What about their reconnaissance elements? Has the minister increased the establishment for helicopters? Has the brigade in Europe any more helicopters for reconnaissance? The minister has referred to Voyageur helicopters that he has acquired. How many has he acquired? We also know that he is going to get 15 Buffalo aircraft. Let me put it this way. Magazine articles tell us that the department is supposed to get 15 Buffalo aircraft.

Mr. Churchill: He did not give us any figures at all.

Mr. Lambert: No. If I can rely upon this aviation editor, the Canadian forces are supposed to get 15 de Havilland CC-115 Buffalos. Do we have to get our information from magazines or must we wait for the minister to give it to us in his own good time? This is not good enough. Rather than this general version it would be far better if the minister came out and told us precisely what he means by his mobile command, what he intends to do with it, how it is going to operate and how it is going to be equipped. We are being asked to vote money for the reorganization of our forces in a certain way but the descriptions, the roles and their equipment are all secrets locked in the minister's breast. The question arises of the mobility of this mobile group, the conversion of a further brigade to a sort of airborne brigade. I know that is a poor term but I refer to a brigade which will have an air capability or an air transportability.

Mr. Hellyer: They are air transportable.

Mr. Lambert: That is a very interesting point, particularly in the light of the announcement today in Paris by President de Gaulle who says that after April 4, 1969, any foreign troops on French soil shall be under French command. In other words, he is saying to NATO, get out, unless, of course there is a wholesale revision of the NATO structure. The question that bothers me at the present time is: Is this something new that the President fo France has sprung on the NATO allies or is this something that has been discussed? Did the minister become aware of it at the time of the NATO ministerial conference last December? This would be interesting to know. Was there any prior indication of this? What planning is taking place to provide for such an eventuality?

We know it will wipe out Marville. It will wipe out Metz so far as we are concerned.

[Mr. Lambert.]

Does this mean that all our NATO forces overseas will be on West German soil or will they be relocated elsewhere? What is the effect of removing France from, shall we say, the area of manoeuvrability, because anybody looking at the map can see that West Germany is a very narrow country east and west? Look at its lines of communications. The laterals running north and south are primarily along the Rhine and anything reaching toward the frontier of East Germany is at right angles to the Rhineland communications so that there is no room to move. There is the greatest difficulty to manoeuvre. Again I ask, what plans have been made to deal with this? How are we equipping our forces?

Coming now to the CF-5, I do not intend to go into the great detail that the hon. member for Winnipeg South Centre went into on Friday. Are any of these aircraft to be used in Europe? There is no indication yet. Are they simply tactical appendages to our mobile command? We know that our troops in Europe form part of our mobile command in so far as their composition is concerned and in so far as their organization and equipment are concerned. Are they going to have the CF-5 or are these units going to be kept in Canada to be sent out, with only the minister knowing about it, to the various areas where they may be needed?

May I refer the minister to the recommendation made in the 1963-1964 report of the Special Committee of the House of Commons on Matters Relating to Defence. On page 19, dealing with the NATO forces, there is the following:

> Your Committee recommends—
>
> Among other things.
>
> —a long range force role study be immediately initiated to determine a most suitable future role for the air division when its present equipment becomes obsolete.
>
> Then, further:
>
> In view of the need for mobility, special consideration should be given to the allocation of a military air transport role for the air division.

Today these recommendations are as valid as they were then and make eminently greater sense. I think the minister recognizes some of the things that we must strive to get across, including the best possible mobility for our ground forces in combination with the air and sea forces. We want to know how the minister proposes to do this. He owes it to the country to tell us.

• (4:50 p.m.)

It is not as though national defence policy and its implementation were a deep, dark secret reserved only for experts. He could share his information with members of the house.

There is one other matter to which I should like to advert at this stage. It is the subject of personnel. I regret that this problem has arisen. I feel it is a crying shame that we should have a problem of morale, as we do, in certain sectors of the armed forces of this country. I do not like to see it and I do not want to gloat over it. I refer to it because time and time again I have asked the minister questions as to the maintenance of the strength of the forces and the effectiveness of recruiting. Of course, based on private knowledge acquired from various sources, I knew there were many deficiencies of highly skilled personnel in a number of areas. Yet, when I asked the minister about the situation, as did others, we heard bland reassurances from the hon. gentleman, with a beatific smile, that all was best in the best possible of worlds so far as Canada's defence forces were concerned. There were no problems. Morale was high.

Either the minister was emulating a certain bird and hiding his head in the sand or he was trying to cover up. He can take his choice. That is the impression he gave. It was revealing to get, in answer to a question put on the order paper at the beginning of this session, an indication of the number of people who had voluntarily retired or who had not re-engaged prior to their normal retirement date or upon reaching that date. If we look at those figures we will see that at least 25 per cent of the naval strength retired in these circumstances during the last 18 months, 20 per cent or a little more in the army and roughly the same percentage in the air force. This is extraordinarily high. We know that ships are tied up in Halifax. There are difficulties in maintaining service forces overseas. Certain units have to be plugged with personnel drafted from other units. We know that in the air force there are many difficulties at the N.C.O. level and at the technical level.

There is a confession of failure in the fact that on Friday the Associate Minister of National Defence had to announce a program of re-enlistment bonuses. Regardless of economic conditions, and we have had good economic conditions in this country before, never has there been this problem of trying to retain men in our forces. Let the minister ask members of this house and he will find out how many of them have had letters from servicemen either in their own constituencies or from nearby bases asking how they can get out. Why has the minister been obliged to impose the six months written notice rule in order to try to maintain strength? I would say this is part of the penalty of the action taken in 1964 when the minister brought out his white paper amid that great fanfare of trumpets and said there was to be a sweeping reduction, that 10,000 or more men would be cut from the forces and that $100 million would be saved every year.

The point is that a high proportion of the servicemen asked themselves: Am I one of those 10,000? Is my job disappearing? What is my future? With this uncertainty confronting them they would be illogical and, indeed, somewhat foolish if they did not begin looking for a berth in civvy street and if, having found one, they did not take it, albeit in many instances with a heavy heart. Let there be no doubt that many a serviceman has retired much against his inclinations. However, these people have responsibilities to their families and to themselves. It should not be thought that this situation applies only to the lower ranks. It involves many senior officers in whose careers Canada has a tremendous investment. And they will not be replaced.

With regard to the air force and the 500 pilots and navigators who were released following June, 1964, it is my impression that one of the greatest dangers we face with regard to the air segment of our defence forces is that we shall soon lack men of middle experience, particularly at commissioned level. Having got rid of or driven out so many of our younger people, we shall find in five or ten years that we do not have suitable men to occupy the positions which will then be vacant. There will be a great many vacancies.

As to re-enlistment bonuses, the associate minister has told us this policy will apply to N.C.O's. and men. What about commissioned officers? There is no entitlement for commissioned officers on re-enlistment. How about these short service commissions and measures which would attract people formerly in the air force who could be brought back? What limitations will be applied concerning dependents? What will be the length of the period

from the time the original retirement took place to the time of re-enlistment? These are details we want to know and I think that before we pass this item we should be given this information.

Mr. Horner (Acadia): Mr. Chairman, I wonder whether we might have the attention of the minister while this debate is going on? It involves a great deal of money, about one-fifth of Canada's budget. Surely the minister could pay attention to what is being said.

An hon. Member: The hon. member is paying his monthly visit to the house, is he?

Mr. Lambert: These are the observations I wish to place on record at this time. We want answers to these questions. I have adverted to only a few. In other parts of the house, even on the minister's side of this chamber, further questions have been raised and I think we are entitled to answers. It is not good enough to say we should wait until these matters are discussed by the standing committee. That committee will be discussing the estimates for 1966-67. We are dealing now with a monumental reorganization of the forces based on the estimates before us and we should like answers to the questions which have been raised.

Mr. Nugent: Mr. Chairman, in rising to take part in this discussion I may say that I do not intend to take the time of the committee for very long. First, I wish to thank the Associate Minister for the prompt action he took with regard to a request I made to him. It has always seemed to me since the days when I spent some time in the army that the inflexibility of military regulations petrified the minds of the officers to such an extent that they were unable to give a common-sense interpretation of rules which affect service personnel, so sacrosanct were the regulations.

• (5:00 p.m.)

It was most encouraging to find that the Associate Minister's approach to the problem put common sense first and I can only wish that this will permeate the senior ranks of the army. I am quite aware that regulations must be strict and fairly strictly adhered to. But it is too often the case that regulations which are made to bring about certainty, to assist in bringing about regularity in handling affairs so that people will know where they stand, which are of assistance in accomplishing the task that the military have before them, are used by the military not in the sense of an approach to the task but from the point of view of the sacredness of the regulations.

I always found when I was in the army, and I have discovered few instances since to change my attitude, that the military mind considers the book to be the most important thing. The regulation is all that counts and there is a mental block against trying to interpret a regulation in a human way and in a common-sense manner. I hope the example of the minister will have some effect on senior army personnel so that the minister himself will not have to be bothered with these questions which I understand come to him quite frequently.

I understand the Associate Minister always takes the same common-sense attitude when these questions come to him but it is discouraging to find that he is approached so frequently. When it comes to a question of when or how soon a man may be released, bending the regulations or interpreting them in a liberal manner so that they make common sense would make it unnecessary for the associate minister to be bothered with such matters. I hope the senior personnel in the armed forces, having observed that it is the wish of the government to put more heart or at least more comon sense into the interpretation of regulations, will follow that course.

Hon. members and the public in general are perturbed about morale in the armed forces. Since the questions of recruitment and re-enlistment are providing us with a little problem I cannot help but feel that a common-sense and humane approach to personnel in the armed forces would be a most crucial factor in relieving the forces of some of their difficulty in getting recruits and keeping personnel who have been trained at such expense over such a long period of time.

In another area I have been bothered by one consideration for a long time. I refer to nuclear arms. It seems to me that the entire purpose of defence is to ensure the safety of this country and its citizens and that anything which will help us prevent war and keep us from getting into a conflict becomes our first line of defence so that none may perish in defence of our freedom. Therefore

I think that the efforts of the government should first be concentrated on making sure that the United Nations is strong.

No one in this chamber will deny that the United Nations is the best hope for continued world peace. All of us are aware, however, that in the charter and in the present operations of the United Nations, particularly of the Security Council, there are many cracks in the administrative machinery so that the organization does not function as well as we would like to see it function. Therefore, since the continued useful operation of that body is our most successful line of defence the government should bend its efforts to reforming, changing, modifying, and amending the United Nations Charter to make it more useful both for this country and for our friends and allies, indeed, for every country in the world.

I suppose this suggestion should be made to the Department of External Affairs since the matter probably lies within its orbit but it seems to me that questions of defence and external affairs are so bound together that I should mention it in this discussion, particularly since we are concerned with the further question of relations between states and the way in which they can be affected by the operations of our own defence policy. Every time we consider our defence policy we should consider what effect it is going to have on international affairs.

One question which has bothered me is the further proliferation of nuclear weapons. From time to time it has been debated in this chamber. For years and years it has been made a political football. When Canada accepted nuclear warheads for the Bomarc I submitted that to some extent we became a nuclear power. The Prime Minister and some members of his cabinet have denied this. I am quite aware of the arguments put forward that these are defensive weapons, that they could not by any stretch of the imagination be deemed to be offensive weapons, and therefore that in the ordinary meaning of the word we have not become a nuclear power.

Perhaps it does not have too much bearing on the case but in the proposal made the other day for a non-aggression treaty respecting the use of nuclear weapons the suggestion was made that at least there be an agreement that nuclear arms not be used against countries which possess no nuclear arms. However, I did not notice any suggestion that such a treaty would include a provision that nuclear arms should not be used against those countries that possess no offensive nuclear weapons.

I have never been able to draw the simple distinction between offensive and defensive weapons that seems to satisfy some people when they consider these matters. Certainly I and many other people have never been satisfied that as we have a nuclear weapon that can be used in connection with the Bomarc it cannot reasonably be said that that same weapon cannot be used in a modified missile for an offensive purpose some place at some time in the future because of our limited technical knowledge.

If I have some misgivings about this matter, it can well be understood why other countries which are concerned about the proliferation of nuclear weapons should have the feeling that we are not being quite honest when we say that the Bomarcs are only defensive weapons and we have not widened the circle of countries having offensive nuclear arms. I think the only logical conclusion we can expect other countries to come to is that Canada does have nuclear weapons, that we have aided and abetted their proliferation, and that Canada's efforts at the external affairs level in assisting to stop the further spread of nuclear weapons are to say the least completely hypocritical. The question of hypocrisy with regard to nuclear weapons in Canada is, of course, not confined just to the Bomarc and to external affairs.

• (5:10 p.m.)

The hypocrisy has become more apparent every time the Bomarc has been discussed. I am quite sure that all of us will remember the discussions which took place in the house when the present government insisted there were commitments in this regard. I well recall the Prime Minister stating in answer to a question I asked on June 7, 1963, that the decision to take nuclear warheads for the Bomarc was a mistake. At that time he said that the decision which had been made even earlier was also a mistake. I am sure if it was a mistake earlier than June of 1963 it was more obviously a mistake in 1963. The Prime Minister admitted at that time that before we in this country could even get nuclear weapons it was necessary to agree to acquire Bomarcs. If anything could be more ridiculous as a facet of our defence policy than pursuing a policy admittedly a mistake

even earlier than 1963, I do not know what it could be.

When a Prime Minister who has the responsibility for implementing policy says that a policy not yet implemented is wrong and is a mistake and that a further agreement is required in order to pursue this mistaken policy but still insists on pursuing it, then I submit this is the most ridiculous defence policy the country has ever seen. I would ask the house to consider that situation in the light of the fact that this decision, thought to be a mistake, to accept such weapons made Canada another nuclear country, contributed to the further proliferation of nuclear weapons and branded Canada as a hypocrite in the councils of the world at a time when we hoped that Canada might have had some status in bringing conflicting powers to the negotiating table. I am sure that in the ideological struggle between communism and democracy as we know it one of the greatest weapons we can have is our reputation for integrity. Instead of protecting that reputation we are pursuing a policy of hypocrisy.

The Prime Minister has been most enlightening in answering questions as to when we are going to negotiate out of nuclear arms. However, to complete the picture on the nuclear weapons policy the government decided to implement the mistaken policy of June, 1963, and made another agreement in order to implement it even though it was aware that it was not only mistaken but that the nuclear weapons were useless. The Prime Minister promised to negotiate us out of this agreement. This is now February, 1966. Yet in a most offhand manner the Prime Minister has indicated that we are going to get around to negotiating out of nuclear arms. I want to ask the Minister of National Defence whether he feels that nuclear weapons are useful in Bomarcs and whether or not he is chided from time to time by his colleague, the Secretary of State for External Affairs, for cutting the feet from under the Department of External Affairs in its attempts to use Canada's influence in negotiating treaties or agreements limiting the proliferation of nuclear weapons. I wonder also whether the Minister of National Defence can justify any amount of money now being spent in connection with the purchase, maintenance, use or storage of nuclear warheads for Bomarcs.

Does the minister have the ear of the Prime Minister a little more closely than the rest of us and can he tell us that there is to be an early decision by the government of Canada to get rid of these useless weapons and adopt a defence policy based on common sense so that Canada will be restored to the position where it can talk honestly about nuclear weapons and the desirability of not having them spread further? It would be a common-sense step to get rid of these useless weapons, the acquisition of which rendered our voice futile and hypocritical.

I wanted to say a word about the integration of our armed forces, particularly with reference to morale, but other members have covered this subject adequately. I am curious, however, about the vast sums of money that this policy was supposed to save. The minister has stated that it has saved money without impairing efficiency. Perhaps my bookkeeping is not up to the minister's standards but I cannot see that there has been in fact any lessening of defence spending.

Since morale is a very important factor in relation to efficiency and in view of the fact that morale has declined in our forces, it is apparent that in fact there has been a considerable lessening of efficiency. Perhaps the minister at some time when he is replying to questions in this regard will spell out how he reconciles the total amount of money spent now compared with the amount spent before this campaign was commenced with his statement that we are spending less on the armed forces. In this regard he should be reminded that the navy is only about half as operational now as it was and that the latest decision to buy the F-5 aircraft is just as controversial as the ill-fated decision to buy the Arrow. The more we hear about the F-5 the less common sense there seems to be in purchasing it. I can only conclude that no matter how much it is improved the decision to buy it will be a mistake. I expect the Prime Minister to get up in the house and say, as he did in respect of the Bomarc, that the government has made a mistake in its decision to buy this plane. I hope the Prime Minister will be able to defend the decision to purchase this aircraft, a decision which has alarmed everyone in this house and in this country.

Perhaps the minister in his reply might also explain the Prime Minister's statement at the time we accepted nuclear warheads on the excuse that there was a billion dollars tied up in equipment. At the time I thought the Prime Minister was going to

point out that while the government was pursuing a stupid defence policy the stupidity was justified by the saving of some of that billion dollars. Since we are apparently following a policy that was admittedly wrong the Minister of National Defence should point out to the country how much money we are to save so that we can at least console ourselves with the thought that while we have been foolish in our policies we have been penny-wise.

Mr. Horner (Acadia): Mr. Chairman, I do not rise to take part in this debate on defence estimates as a defence expert, though I have served on the defence committee and have taken more than a passing interest in defence expenditures and defence policy in the past few years. I should like to address my remarks to the value the taxpayer is receiving for these defence expenditures. Now as never before in the history of the world we must bear in mind and always remember that the civilians must keep a very close watch over military might and military expenditures and the final authority must forever rest in the hands of the civilians. I believe this is very true today because of world situations that exist.

• (5:20 p.m.)

Looking back over our defence policy and our defence expenditures and thinking back to the time when the minister assumed this portfolio, we are reminded of what a clear-cut policy he seemed to have but did not have for defence. He outlined clearly where he was going and where he thought our defence policy should be going. He outlined how the unification of the three services would save the taxpayers of this country a great deal of money.

I was on the defence committee some years ago and I know that a number of questions were asked in this regard. I did not ask any; I was prepared to wait and see. We have waited a number of years and I have looked for the savings in defence but have seen none. The amazing thing about this is that John Q. Public is convinced that there is a saving of public money here. There should be a saving in this area but there is not. John Q. Public is convinced that the minister has done an amazing job and has not made any errors.

Some hon. Members: Hear, hear.

Mr. Horner (Acadia): John Q. Public is convinced that the minister is spending this money wisely. I say this is partly the fault of this house because we have not examined the minister's estimates thoroughly enough. It is partly because the press and the minister's public relations officers have been together on many aspects of defence. It is partly because we are in the middle of a peacetime period in Canada and John Q. Public is just not interested in the whole question of defence and how our defence dollars are being spent.

I think these estimates should be filibustered until the minister can stand up and show that he is saving money, until he says he will take a second look at this wasteful expenditure of $215 million on an aircraft which the United States government is not going to purchase. This aircraft has been tried in Viet Nam and it has been proven that it is not a good combat plane; yet we blindly go ahead with it because the Canadian public are not interested in defence and allow their defence minister to spend $215 million on a plane which is not a good combat plane, has not proven itself and is not going to be purchased by the American forces who originated and planned it. The United States government have scrapped this plane. Yet we blindly go ahead and spend this very great amount of money on it. This is just one aspect of the mistakes made in our whole defence picture.

Let us look at our defence picture. We force 500 pilots into immediate retirement. They are told, "We don't really need you fellows. You have been really faithful. We admire the spirit in which you enlisted so we will give you a bonus if you now retire. Canada no longer needs you". Then what happened? After the taxpayers of this country had spent something like $175,000 training each one of these pilots and had footed the bill and having been told we did not need them, the minister turns around and says, "We do need you fellows. We will give you $200 for each year for which you re-enlist". What kind of management is this? This is the question that should be uppermost in the mind of every taxpayer. Is he getting value for his dollars?

Mr. Hellyer: Yes.

Mr. Horner (Acadia): We should examine this question very closely. The minister says yes, the taxpayer is getting value for his dollar. Who beside the minister and his executive assistant have anything to say about defence matters? I sat on the defence committee and I have read all kinds of articles saying what a great committee it is. It is an

educational committee. At no time is the committee allowed to determine or even look at the forward policy of the government or what the forward policy of this country should be in regard to defence.

We examined the Bomarc sites but at no time did we have the chance to say that the whole thing is obsolete, that we are spending $3.5 million a year maintaining these sites which are no longer useful to Canada. The minister said when he was in the opposition that a war involving manned bombers over this country was very unlikely. That was said some three or four years ago. It is certainly much more unlikely today. Yet we continue to maintain an obsolete fleet of missiles which at best have a range of 425 miles. Any manned bomber could fly around them without losing too many miles or wasting too much gas.

Thirteen thousand men have voluntarily retired from the forces and we are not supposed to ask why. We spent a great deal of money training these men, the amount of money spent on training them depending upon how long they were in the services, but we allowed them slowly to slip away. We the taxpayers are supposed to allow this to go on forever just because no one is apparently interested in what the Minister of National Defence is doing. This is a shameful waste of the Canadian taxpayers' money, forcing men into retirement and then paying something like $65 million in bonuses to keep them in the services.

Some time ago we were told that the Minister of National Defence under his plan of integration of the services would make a great saving in our defence expenditures. As the hon. member for Calgary North pointed out the other day, where is this saving? For the past number of years our defence expenditures have been around $1,500 million. In the present year they are estimated to be $1,580 million. Where is the saving?

The minister's speech on the opening of the debate on these estimates was one of generalities. He dealt at length with the question of how he had made tremendous savings in housekeeping. He said that at national headquarters he had got rid of 1,000 men. He moved them to another building, for all we know. Now he is paying those same men to re-enlist. What kind of a hodgepodge of policy and government spending is this? Never before has the Defence Committee had

[Mr. Horner (Acadia).]

such a tremendous task ahead of it to re-examine the situation and point out the follies of the Minister of National Defence.

I hope the members of that committee will thoroughly examine defence matters not from the point of view of military experts but to see that the taxpayer has value for the dollars spent in defence. We travel across this country and see the growing alarm on the part of John Q. Citizen because of what we are doing with our money. Canadian citizens are saying: You are going to tax us in order to provide a pension; You are going to bring in medicare. Can the country afford it?

We are told that something like 40 per cent of the gross national product is paid to one government or another in taxes. Members of parliament were hoodwinked by the present Minister of National Defence when he said he would make great savings in the amalgamation of the three services. I could not see it at the time. The minister may amalgamate some services and smooth out some headquarter's expense but basically the man trained to fly a plane will still be in a separate unit from a man trained to sail a ship or serve in the army.

What has this amalgamation done to morale? A number of hon. members who have spoken previously have discussed this question. Thirteen thousand people have retired voluntarily from the forces in the past few years. This alone provides the answer to the question, what has amalgamation done to morale. They would not get out of the service if they had confidence in the minister and in the service.

This is the greatest problem the minister must face. It is all well and good for Charles Lynch to say in the Ottawa *Citizen* not long ago that the minister's self-assurance is undinted. But the minister must lie awake some night and examine the question of why so many men have left the services if they have confidence in the minister. Do they know or respect the direction in which he is taking the services? This is the ultimate question that the minister must come back to and answer. Is the minister providing the leadership necessary for these men to stay with him? I think the answer must be that he has failed in this regard and failed miserably.

• (5:30 p.m.)

There is no question about it. I am not debating the question of pay for the armed services. I appreciate the fact that they need pay increases. I was pleased to hear the minister announce the other day that a

pay increase would be forthcoming, retroactive to October of last year. He forces retirements and then he pays men to stay in the service. This very fact must convince the people of Canada that the defence policy of this government is the worst we have ever had. These are the questions that are uppermost in the minds of the people of this country. You force men to retire after spending $175,000 on their training and then you introduce an item of $65 million in the estimates in order to pay men to stay in the service.

The minister has announced that he will give men $200 a year for each year for which they re-enlist. I talked the other day to a person in the air force who said he was going to re-enlist for five more years. It meant $1,000 to him and he had intended to get out. I asked him why. He gave me a whole host of reasons which I found very interesting but when you summed up all his reasons they amounted to the fact he did not know where he was going and he was more or less fed up with the leadership shown by the department. We in the opposition have a duty to point out to the government that the Canadian citizen is not getting value for his money in this department. The minister has failed and failed miserably in trying to make savings and cut out wasteful expenditures.

The minister could make an immediate saving of $215 million by cancelling the contract for the F-5. Charles Lynch put it very well in an article in the Ottawa *Citizen* from which I should like to quote:

> There is more than a suspicion that the CF-5 was ordered more to keep Canadian workmen busy than for any qualities it may possess as a fighting machine.

I ask you, is that the duty of the defence department? If the government wants to keep Canadian workmen busy the government should spend money on the development of our resources because there you have a multiplying force. As the resources are developed many more people are employed. If the sole purpose of the government is to spend money to employ people, then it should spend money not in making an aircraft which is obsolete before it is off the drawing board but in developing our resources. I think the minister must wrestle with that question and decide just what he is doing, employing men or purchasing equipment that will enable us to defend this country better and keep peace throughout the world.

Further along in this same article Mr. Lynch says:

> The result has been that there has been no informed critical appraisal of the Hellyer revolution except by the men who are conducting it under his guidance and inspiration. Not surprisingly, they find it good.

This is what I said a while ago. The only people who have really examined the minister's record have been his own advisers, press agents and public relations people. They have all agreed it has been tremendous. We look for results, we look for savings, and we have seen none.

In addition to all these mistakes, the morale of the forces has been eroded. Mr. Lynch has a word to say about morale too:

> Mr. Hellyer admits that he is having trouble keeping the armed forces up to strength.

I like this:

> Having cut away the fat, he now finds he's losing some of the meat.

This is exactly the case in the armed forces today. Having cut away the fat he is losing some of the meat. Morale has gone and the forces are completely dejected.

What did the minister say in his remarks in this regard? He first gave us some idea of what he thinks the Canadian forces should do and what has been done. I should like to quote from the minister's opening remarks as found on page 1416 of *Hansard*:

> —that notwithstanding the reduction in expenditures we will have achieved, within two years, a significant qualitative improvement and operational capability of our armed forces.

Let us examine that statement. First he says, "notwithstanding the reduction in expenditures". We have not seen any reduction in expenditures. The minister may say that this tri-service business has saved us a lot of money. The estimate book shows that there has been $15,800 million budgeted for the armed services. We do not see these savings. The minister goes on to say that within two years we will have achieved a significant qualitative improvement. How can you have a significant qualitative improvement when you force 500 of your top officers to retire? You cannot. The minister also said there would be an improvement in operational capability of our armed forces. How can you have that improvement when you order an airplane for them that is obsolete before you start production of it?

The news last night really prompted me to make this speech on defence. It was stated then that 107 CF-5 planes had been ordered by West Germany and 21 of them had crashed because of faulty mechanism, faulty construction or faulty design. About one-fifth of the planes with which they were supplied

less than a year ago are completely ruined. The minister says he is going to bring about a significant qualitative improvement and operational capability in our armed forces. He is going to completely ground our air force.

Mr. Hellyer: Are you talking about that plane you bought when you were in the government?

Mr. Horner (Acadia): The minister makes some snide remark about the Avro Arrow. Certainly he made a great fuss when he was on this side of the house but he did not tell us the whole story. The Defence Committee ascertained that the decision to cancel that plane had been made in 1956 but because an election was imminent the government failed to declare itself. It failed to say the air force had rejected it in 1956. The government failed to take any action on the air force's decision because an election was imminent.

Mr. Hellyer: Nonsense.

Mr. Horner (Acadia): This all came out in evidence and it is in the committee's report. I believe it was General Foulkes who appeared before the Defence Committee and put this information on the record. The minister can make some smart remark and then go back into seclusion in his department but he has led the Canadian public down the garden path with regard to defence expenditures.

What else did the minister say? He said that war between the NATO powers and Russia was remote. Did he tell us what is happening to NATO and the whole question of our NATO alliance? This matter was quite prominent in the 1963 election campaign, at which time the minister had great ideas and great vision. Did he tell us in his speech that France has said that the NATO powers will be out of there? Did he tell us the Canadian force in France is the only one permitted to take photographs over France today and that the United States is not? Did he tell us what is going to happen in NATO in the years ahead? Did he tell us how Canada can better serve the NATO alliance? No, Mr. Chairman, he dealt in generalities. Two years ago when the minister took over the department I am sure he would have had all the answers. He has found that answers do not come so easily today.

• (5:40 p.m.)

The minister went on to say that there are political difficulties in Europe not yet resolved. That is the way he summed up the trouble in NATO. He went on to say that NATO is still of continuing importance to Canada's security. No one denies that, but how best can Canada play its role in this regard? Did he say that we must maintain a nuclear force in NATO, which was a prominent question a few years ago? No, Mr. Chairman, he did not. In fact, he said that the concept of Canada's defence force must be one of mobility, which seems to be a key word of our present minister. He is going to ground the air force with the CF-5's, the Freedom Fighters, so that our defence force will not be very mobile. This question is one of the most important that the opposition can point out to the government in the coming session.

Let us examine our defence estimates. Let the minister produce the savings which he predicted he would make two years ago. Let us examine this tri-service defence force which we are building to see whether or not it is feasible, whether or not any real savings are produced and whether or not something can be done to bolster the morale of our Canadian forces. There is certainly no question that it is at its lowest today.

Quite apart from the air force, what has the minister done with the navy? As the hon. member for Calgary North pointed out, 20 to 25 per cent of our naval ships are tied up in dock with no men to man them. Is the minister building a completely new fleet? He has ordered a few new ships but he has no real program in mind for the navy. Some one in this debate has already said that the navy has gone, that the minister has completely grounded it. Perhaps that is closer to the truth than most naval men would like or be able to admit.

We must continue to examine these estimates with thoroughness. After all, we are living in a democratic country and members of parliament and the government move with the wishes and desires of the people. One role an opposition can play is to continue to investigate conditions and government thinking in the hope that the public will arise and say to the government that we should have some action. That is what we must do in this debate. We must continue to point out that the government has led the Canadian public down the garden path regarding defence expenditures and the mobility of our defence force.

We all remember the great things the government said we were going to do. I remember that I was a member of the Defence Committee when it visited Europe. One

of the Liberal members talked to the then Minister of Defence in the British government. He asked him whether Canada would not best serve world peace by having a mobile force and the Minister of Defence in the British government immediately said "Yes, we would love to have you join in a mobile force and help bring about peace in Indonesia". Well, we did not go there. Neither did we go to Viet Nam. The only real effort we made was in Cyprus, and in the statement of the minister when he introduced his estimates he did not even mention Cyprus. One of the speakers in this debate has mentioned that the only real effort we are making today is against the white Rhodesians in Africa, and this is not taking too much of a military effort.

I should like to see more participation in this debate by Social Credit members who are forever showing their interest in expenditures of government, especially wasteful expenditures. I think now is the time for every member of parliament who has the interests of the taxpayer at heart to speak. There are many projects in my constituency, as I am sure there are in the constituency of the hon. member for Red Deer who interjected in this debate, on which I should like to see the government move. But time and again the house has been told by the government: "We are sorry but money is not available".

We were told that money was not available when we asked the government to increase the old age pension to $100 a month. The big hue and cry raised by the government was that money was not available. Yet in this department we see wasteful expenditures, $215 million to buy an aeroplane that is not airworthy, $3.5 million per annum to maintain Bomarc missiles which were practically obsolete when they were built, $175,000 each to train 500 pilots who were forced into retirement—you can do a little multiplication there, Mr. Chairman—13,000 men voluntarily retired, and now $65 million to be spent by the government to urge members of the forces to re-enlist. I would ask members on both sides of the house to look at these figures and to ask themselves whether this is value for money spent.

Are we doing what the Canadian taxpayer wants us to do? I am sure that if these expenditures were fully examined and knowledge of them made available to every taxpayer—taxpaying time will be rolling around pretty shortly—every taxpayer who sends in his form at the end of April will say to himself: One fifth of this tax money will be going to the Department of National Defence which is protecting me from becoming wealthy. That is about the size of it, Mr. Chairman, because any army which moved into Canada today would find no resistance. Our armed forces strength is down to an all-time low. Their morale has completely gone. Its aeroplanes are no longer airworthy. Ships are not manned and the infantry has no manpower either. So where are we? Why are we giving this department one-fifth of the taxpayers' money? I would ask that this information be made available to every Canadian citizen.

If any minister of the present government has failed, has hoodwinked the public and led the public down the garden path, it is this Minister of National Defence. I remember when he stood up in the house and lambasted the then government about the cancellation of the Avro Arrow. He said it was a terrible thing, knowing all the while that it was not and that the decision was made back in 1956. He lambasted the government about nuclear weapons. Now this government is dropping them. He told the public he would save them a fortune with the amalgamation of the three services. Is he saving them a fortune, Mr. Chairman? The last five years' estimates have already been put on record by the hon. member for Calgary North. Some $1,500 million a year has been spent, only 12 per cent of which going to the procurement of new weapons. So where is the housekeeping saving? It is just not there.

The Deputy Chairman: Order, please. I am sorry to interrupt the hon. member but the time allotted for his speech has expired.

• (5:50 p.m.)

Mr. Pugh: Mr. Chairman, may I introduce a slight change of pace. I want to deal very shortly with a problem that I think is extraordinarily important and which has been going on for a long time and should be cured. I refer to the soldiers' votes in federal elections. I wish to comment first about the ballot itself and, second, about the publication of service votes.

My understanding is that the ballot is secret but because the man's name appears on the sealed envelope containing his ballot men in the armed services feel that their vote is known when they vote. I have talked with a good many of them and they feel that their vote is known. I think we should assure them that we have honest people looking after this

matter, and I think they are honest, and that there is no way of knowing the exact vote of a serviceman. However, Mr. Chairman, there is that feeling among servicemen because their names appear on the outside of the envelope. They feel that their vote is known. This is wrong and should be corrected.

It can be cured quite simply. I think that the Minister of National Defence or people connected with the administration of the Canada Elections Act could cure it. There is no reason at all that any person in Canada entitled to vote should not have the feeling that when he puts his X opposite a candidate's name that vote is secret and cannot possibly be known by any one else. That feeling does not now exist in the armed services and I think it is wrong that it should go on. So much for the ballot itself.

Second, may I refer to the publication of the service vote. In each and every federal election we have this hangover from election night. We wait for what is known as the service vote. It is wrong that this vote should be make known later and published after the actual main vote. No class of people in Canada entitled to vote in federal elections should have the result of its vote made known. The votes of doctors, lawyers or any other group are not made known and there is no reason whatsoever why the soldiers' vote should be treated differently.

An hon. Member: Include the sailors' vote in that, not just the soldiers.

Mr. Pugh: That is quite true. The hon. member for Victoria says that I should not call it the soldiers' vote. In common parlance in Canada it is known as the soldiers' vote and it is referred to in that way in the press.

An hon. Member: It is the service vote.

Mr. Pugh: Call it the service vote. The last few remarks I have made in connection with the secret ballot should refer to the service vote rather than to the soldiers' vote alone. The service vote is made known and this is wrong. It is wrong that in any election one class of people should be delineated as being against another.

For the life of me I cannot see why today, with modern transportation, ballots should not be cast in advance in exactly the same manner as they are in an advance poll. In an advance poll the results are made known but there is no indication of the class or kind of people involved. The results published are merely added to the total as an item in the final summation. However, in the services members of the armed forces voting outside their own constituencies are tabbed. This is wrong and in view of the feeling of members of the armed services that the ballot is not secret the situation ought to be corrected. I say that it should be corrected and it could easily be by the minister making representations to the proper authorities before the next election.

The Deputy Chairman: Shall the item carry?

Some hon. Members: Carried.

Mr. Winkler: Mr. Chairman, I was called out of the house and I returned to speak on item 1.

An hon. Member: It has been carried.

Mr. Winkler: Oh, no.

The Deputy Chairman: The hon. member for Grey-Bruce.

Mr. Winkler: Mr. Chairman, I have been waiting for a considerable period of time.

Mr. Hellyer: I rise on a point of order, Mr. Chairman. To clarify this situation, have we given unanimous consent to revert to item No. 1 in order that the hon. gentleman may speak?

An hon. Member: It has been passed.

The Deputy Chairman: Order, please. The Chair has the impression that we have the unanimous consent of the house to return to item No. 1. The hon. member has explained that he had to leave for a few seconds and I am under the impression that we are still on item No. 1.

Some hon. Members: Hear, hear.

Mr. Winkler: Thank you. I have spoken on previous occasions to the minister with regard to a question that I want to raise because of my personal knowledge and experience in respect of army retail stores on bases outside the country. I refer specifically to the service known as Maple Leaf Stores so far as the army is concerned and I wish to compare it with the service available to members of the Royal Canadian Air Force on air force bases which is known as PX and is similar to the United States system of retailing on air force bases. Anyone who has travelled throughout the continent in the course of the last two or three years will have had this matter brought to his attention by the people concerned.

Throughout this debate we have heard considerable discussion in regard to morale in

the forces. Members of the Canadian armed services were present in a gallery of the house to hear the opening of the debate. I had the pleasure of asking a few of them if what was being said about poor morale was a fact. They went on to explain that first of all they thought the situation was due to the uncertainty of their positions plus the fact that certain statements had been made to them recently in regard to increases they were due to receive. I mention this point at this juncture because so far as the picture on the continent is concerned I understand that a change in store services on army bases to the type on R.C.A.F. bases would in fact give the members of army camps the equivalent of an increase in their present pay.

The Deputy Chairman: Order, please. It being six o'clock I do now leave the Chair.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Speaker: Order, please. It is my duty, pursuant to provisional standing order 39A, to inform the house that the following questions will be discussed on the adjournment motion tonight: The hon. member for Winnipeg North Centre (Mr. Knowles), Health and welfare—medicare—inquiry as to legislation; the hon. member for Berthier-Maskinongé-Delanaudière (Mr. Yanakis), Health and welfare—inquiry as to health warning on packages of cigarettes; the hon. member for Swift Current-Maple Creek, (Mr. McIntosh), Veterans affairs—method of dealing with inquiries by members.

• (6:00 p.m.)

It being six oc'lock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions.

BUSINESS OF THE HOUSE

REFERENCE OF SUBJECT MATTER OF BILLS NOS. C-16, C-19, C-41, C-44, C-55, C-58, AND C-79 TO STANDING COMMITTEE ON JUSTICE AND LEGAL AFFAIRS

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, before the house proceeds to consider notices of motions I should like to ask for unanimous consent to send a number of private members bills on the subject of divorce and on the subject of birth control to standing committees of the house. Perhaps I could ask for the consent of the house to make this motion now.

I should like to move:

That bills Nos. C-16, C-19, C-41, C-44, C-55, C-58 and C-79 be given second reading and sent to the Standing Committee of the House on Justice and Legal Affairs.

Some hon. Members: Agreed.

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I should like to move an amendment to the motion which has just been put forward. I move:

That the subject matter of bills Nos. C-16, C-19, C-41, C-44, C-55, C-58 and C-79 be referred to the standing committee on justice and legal affairs and that the bills be not read the second time.

Mr. Speaker: Is the minister moving an amendment or a separate motion? I understand this is a separate motion. Is that agreed?

Mr. Lewis: Would Your Honour inform us whether the motion moved by the hon. member for Rosedale was passed? I understand that a vote was taken and that it was passed.

Mr. Speaker: Let us say that the question was not put on the first motion. I must take it that the second motion was the one which would be deemed to have been presented to the house at this time. I would suggest to the parliamentary secretary that he withdraw the first motion. Is that agreeable?

Mr. Macdonald (Rosedale): I agree.

Motion (Mr. Macdonald, Rosedale) withdrawn.

Mr. Speaker: So the motion before the house is the one moved by the Solicitor General for the reference of the subject matter of these private bills to the committee on justice and legal affairs.

Motion (Mr. Pennell) agreed to.

An hon. Member: A fumble in the backfield.

Mr. Prittie: I wonder whether the Solicitor General moved the reference of the subject matter of all the bills he had in mind. I believe the ones he moved were those dealing with divorce only.

Mr. Pennell: The hon. gentleman is quite right. I understand there has to be a motion by the sponsor moving the bill and it was my intention to move a second motion that the subject matter of certain bills be referred to

the appropriate standing committees. I understand there are other bills Nos. C-64, C-40, C-22 and C-71, which should be dealt with at this time.

Mr. Macdonald (Rosedale): Perhaps on that basis I should attempt to do what I did previously, to move them, with the consent of the house, on behalf of the movers of the particular bills. Then we could proceed as the Solicitor General has suggested.

Mr. Speaker: Is it agreed that a motion be made for the reference of the subject matter of Bills Nos. C-64, C-40, C-22 and C-71 to the Committee on Health and Welfare?

Mr. Pennell: To clarify this matter, is it my understanding you are now putting the motion for second reading or for reference to the committee?

Mr. Speaker: There is no motion before the Chair. If the hon. member would make a motion I would put it to the house.

REFERENCE OF SUBJECT MATTER OF BILLS NOS. C-64, C-40, C-22 AND C-71 TO STANDING COMMITTEE ON HEALTH AND WELFARE

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I move:

That the subject matters of bills Nos. C-64, C-40, C-22 and C-71 be sent to the standing committee on health and welfare.

He said: I do this, Mr. Speaker, with some hesitation because I still have some doubt, and I say this with deference, whether the procedure is entirely correct.

Mr. Speaker: The subject matter of the bills can be referred to a committee before second reading. I assume this is why we followed the procedure we did in connection with the bills referred to the Committee on Justice and Legal Affairs. So I suppose, we can put the motion to the house.

Mr. Pennell: I bow to your better judgment, Mr. Speaker.

Motion (Mr. Pennell) agreed to.

NATURAL RESOURCES

OFFSHORE MINERAL RIGHTS—SUGGESTED REFERENCE OF QUESTION TO DOMINION-PROVINCIAL CONFERENCE

Mr. J. O. Bower (Shelburne-Yarmouth-Clare): moved:

That, in the opinion of this house, the government should consider the advisability of withdrawing the reference to the Supreme Court of Canada on the question of off-shore mineral rights, and in the spirit of Confederation, place the question before a dominion-provincial conference to the end that the decision as to ownership of such mineral rights be determined in a manner fair, just and equitable to the provinces concerned.

[Mr. Pennell.]

He said: Mr. Speaker, as a signatory to the convention on the continental shelf at the Geneva conference on the law of the sea in 1958, Canada's sovereign rights to the natural resources of the continental shelf adjacent to our shores were clearly established. The convention came into force on June 30, 1964, and it only remains for parliament to ratify it, a move which the government has not pushed through to conclusion.

The government's first move has been to submit to the Supreme Court of Canada the question whether jurisdiction over offshore minerals resides with Ottawa or the provinces individually involved. This was done over protestations by the various provinces that the question be decided through a dominion-provincial conference.

I am not a lawyer Mr. Speaker, and therefore I am unable to assess the strictly legal aspects of the claims of the various provinces to offshore mineral rights vis-à-vis the federal position. However, as a member of parliament from the Maritimes I have introduced my motion convinced that the settlement of the issue can best be achieved through a dominion-provincial conference. To that end I propose the withdrawal of the reference to the Supreme Court of Canada on the question.

• (6:10 p.m.)

The nub of my motion is found in the operative words "and in the spirit of Confederation". It seems to me that Canadian history, tradition and precedent dictate as basically equitable that the provinces should first be assured of a favourable position in respect of the direct benefits accruing from natural resources found below the surface of the continental shelf. It is true, to repeat an old and well known story, to say that the Maritime provinces entered Confederation only after much soul searching and trepidation. But enter it we did. Now, just under 100 years later, we are still the low men on the national totem pole and constitute the single big area of unfavourable disparate economic development. This is starkly brought out in the second annual review of the Economic Council of Canada when it discusses its fifth point that is, regionally balanced growth and the reduction of disparities among the regions of Canada.

Over this night on to 100 years we have seen carved out of what once were territories

to the original confederation the provinces of Saskatchewan and Alberta in 1905. We have seen also the extension northwards of Manitoba and Ontario in 1912 along with the acquisition of the Ungava by Quebec in that same year. We have seen the great surge of our minerals industry that has transformed the economies of the provinces I have mentioned. This transformation was in great part due to the minerals developed in lands that were territorial to the founding provinces.

As Canadians we Maritimers take pride and pleasure in the vast wealth uncovered and being produced. We are delighted that it has contributed so much to the economy of the provinces I have mentioned. We appreciate that indirectly, as Canadians we have benefited, but we still ruefully contemplate our relatively melancholy economic position. I maintain that the Maritime provinces today stand in a position relative to the continental shelf much as the founding provinces stood vis-à-vis the territories of the Confederation period.

I submit, Mr. Speaker, that by approaching the question of the mineral resources of the continental shelf in the context of what I have just said and along the lines of my motion the government has probably the last bright chance of rectifying the imbalances and inequities, albeit unintentional, suffered by the Maritimes through entering Confederation. We have heard much lately in and out of parliament about the basic necessity of unification in Canada. I firmly believe that the implementation of my motion would do much to counter the centrifugal forces so disturbing to us and would indeed constitute strong centripetal effects.

It might well be that the Supreme Court test would result in establishing provincial ownership of offshore mineral rights. However, there is the possibility of denial of those rights to the provinces, the possibility of decisions favouring one province over another on strictly legal technicalities, the possibility of decisions restricting provincial rights to a narrow band on the in-shore side of the continental shelf. Any one of these would only exacerbate the feeling in the Maritimes that here we would have again the perpetuation of the disadvantages of Confederation.

The procedure of handouts at some future date is no substitute for a predetermined and agreed allocation of benefits accruing, should our continental shelves prove a source of natural resources. A press statement attributed to a number of the government to the effect that "with a bonanza like this in the treasury we could afford a tax cut" does little to allay fears in the Maritimes. On the contrary, it suggests a continuation of the old cap in hand treck to Ottawa and the probable continuation of our disparate economic growth even though substantial resources were developed off our shores.

We in Nova Scotia are not unappreciative of the assistance given us by Ottawa and we have an administration in the province which within the financial resources of the area is doing wonders to improve the economy and the standard of living. But under inexorable economic circumstances we have to run very hard just to keep from falling back in position relative to central and western Canada.

Mr. Rasminsky, the distinguished Governor of the Bank of Canada, was in Halifax recently where he addressed the board of trade of that city. He pointed out that Canada stood very high in the international growth league tables. In fact, according to the Organization for Economic Co-operation Japan was the only large country whose growth had been greater than Canada's over the period 1961-1965. He then went on to note that in the Atlantic provinces many indices showed about the same rate of growth as the corresponding national averages over this period.

This is all very well and as far as it goes it is encouraging. However, the sobering fact remains that the per capita personal income in the Atlantic provinces of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland, averaged for the years 1962, 1963, and 1964, was $1,148 versus $1,622 in the other six provinces or almost 29 per cent less. This, I submit, suggests that a massive economic injection is necessary to boost the Maritimes up to parity.

In concluding this particular phase of my remarks I would note that the Governor of the Bank of Canada was addressing the 215th annual meeting of the Halifax board of trade. It would appear we have not been unduly impatient in the Maritimes, Mr. Speaker, and are not to be criticized if we cry out, "How long, oh Lord, how long"?

To those in this house who may worry about the problems of conservation, export and Canadian participation in the development of any resources found off shore, I say all those and any others I have not catalogued here could be worked out in the national interest through the dominion-provincial

conference that I contemplate in my motion. The federal government would always participate in any continental shelf development to the extent of corporation taxes arising from exploitations off shore.

• (6:20 p.m.)

I maintain that the government by reversing its stated position and adopting the procedure proposed by this motion has the opportunity of solving, if substantial mineral resources exist offshore, the hundred year old economic disadvantages of the Maritime provinces. They can do this through carrying on nothing more than an historical process in practice since confederation. When, in the course of time, there now seems to be a chance for doing for the Maritimes something that may redound to the benefit of that area through a procedure employed earlier in the century in respect of the provinces of central and western Canada, why do we forget equity and invoke the strict legalistic concept?

In concluding my remarks in support of my motion I want to make one thing abundantly clear. While I have stressed the Maritimes' position I by no means imply that the Atlantic provinces only should be given the consideration I propose. It is my confident expectation that in the course of debate members from all parts of the country affected by this issue will see fit to support my general thesis and formulate their specialized points of view.

Mr. Jack Davis (Parliamentary Secretary to Minister of Mines and Technical Surveys): Mr. Speaker, at the outset I should like to compliment the hon. member for Shelburne-Yarmouth-Clare (Mr. Bower) who has just spoken for the way in which he has introduced this private member's notice of motion. He has certainly chosen a very important subject and dealt with it in a statesmanlike manner. I cannot say that I agree with the substance of that motion as he has introduced it in that I do not believe the government of Canada should withdraw its reference to the Supreme Court of Canada. I do not believe that a political solution as opposed to a judicial solution is the answer in this case. Offshore mineral rights are very important. They have become increasingly important in recent years and they will be vastly more important in the years and decades to come.

I looked up a recent issue of *Oil Week*, one of the authorative publications of the oil and gas industry in this country, and it indicates that in this area alone in Canada some $20 million will be spent on offshore exploratory and development activities and that no less than $9 million will be spent on one drilling rig alone which, I am proud to say, is under construction now on the west coast of Canada. This still is a drop in the bucket. The immense resources, the increasing activity and the large scale production of oil and natural gas off the U.S. gulf coast area, in the Persian gulf and more recently in the North sea between England and Norway has been very impressive indeed. These are becoming the world's principal sources of oil and in years to come may become the principal sources of gas for the advanced industrial nations of the world. So Canada cannot disregard the development of her own offshore resources.

The jurisdiction under which these resources come is very important. We must not have overlapping of jurisdictions; we must have a clear-cut statement and I trust that this will be a statement rendered as a result of careful review and a decision by the Supreme Court of Canada. I should like to think that in this country the powers of the two different levels of government, federal on the one hand and provincial on the other, will become in the process of time much more clearly defined. A fair amount of overlapping exists and perhaps a fair degree of overlapping is inevitable in a federal state, but we must keep this to a minimum. I suggest that in this vital area of development, an area which could be of tremendous importance to the province of Nova Scotia and, indeed, to all the Atlantic region, Quebec and British Columbia, a clear-cut definition must be drawn and the position made abundantly clear so that new capital can be found and development activity proceed with a minimum of interference, a minimum of red tape and a minimum of bureaucracy in this country.

I should like to refer quite briefly to what Canada's rights are. In this I am not begging the question whether these rights belong to Canada as a single nation state or Canada as an assemblage of provinces. Canada's rights on the seabed are established under international law. Under this international law Canada has the exclusive right to explore and exploit the resources of the submerged seabed off its coasts, not only in bays and inlets but also far beyond the limits of our territorial waters.

This right is formally recognized by the convention on the continental shelf adopted by 17 countries at Geneva in 1958. It actually

came into force on June 10, 1964, 30 days after Britain became the 22nd nation to ratify it.

While the title of this convention refers only to the continental shelf, the right it acknowledges extends much farther. According to this convention, a coastal nation has the right to the submerged seabed resources at any distance off its shores, wherever it can manage to exploit them, limited only by similar claims from other countries. In other words, we are talking about seabeds that exist not merely three miles, not merely twelve miles and not merely to the limit of our straight base lines but outside and beyond our continental shelves or as far as new technology will permit mankind to exploit and develop the resources which lie under the sea. This immense territory reaches far into the Atlantic ocean and far out into the Pacific, and it is of major importance to this country as well as many other countries.

Canada as a nation, Ottawa, that is, has passed legislation bearing on the exploration for oil and gas off our shores. Regulations were issued in 1960 under the Public Lands Grants Act and the Territorial Lands Act. The first major permit was granted by the previous government on June 29, 1960 to the Richfield Oil Corporation for 1.1 million acres. This was off the coast of British Columbia. One might say that this act set in train the arguments which have followed and precipitated what one might loosely refer to as the offshore mineral dispute between the government of British Columbia and the government of Canada.

In December 1962, the then mines and petroleum resources minister of British Columbia, Mr. Kiernan, made a statement which was widely quoted to the effect that it was the intent of his government to make a reference to the provincial court of appeal of British Columbia to decide the issue as between provincial and federal jurisdiction. On June 12, 1964 there was a meeting here in Ottawa between the subsequent minister of mines of British Columbia, the Hon. Donald Brothers, and the federal minister then responsible for natural resources, the present Minister of Northern Affairs and National Resources (Mr. Laing). They had a lengthy discussion on this subject and on the same day they agreed to release to the press a statement which reads in part as follows:

> The two ministers emphasized that both governments wished to avoid any delay in exploration. After a review of the possibility of administrative arrangements and a review also of their respective legal positions, both ministers were of the view that the only way the matter could be reconciled was by a reference to the Supreme Court of Canada.

So as at June 12, 1964, at least one minister of the Crown in the right of the province of British Columbia was in agreement with the steps which have subsequently been taken by the federal government and in fact in agreement with the reference which is presently placed with the Supreme Court of Canada.

There was a federal-provincial conference held later in that year on October 14, 1964. The then Minister of Northern Affairs and National Resources presented the federal point of view regarding our offshore mineral rights. He pointed out that it was necessary to refer the offshore problem to the Supreme Court of Canada in order that the legal positions of the parties concerned could be established.

• (6:30 p.m.)

Later on December 11, 1964, the Prime Minister sent a letter to all the provincial premiers indicating that Ottawa wished to refer the various aspects of the problem to the Supreme Court. All the premiers replied and on December 31, 1964, the Prime Minister issued a press release setting out the position of the federal government.

On March 17, 1965, the Prime Minister sent a letter to each of the provincial premiers stating the main considerations that led the federal government to decide to refer the offshore problem to the Supreme Court and saying that this decision had not been altered by the replies received from the premiers. On April 26, 1965, the question of the jurisdiction and ownership of the submerged resources off the west coast of Canada was finally referred to the Supreme Court of Canada by Order in Council 1965-750. This was tabled in the House of Commons on April 29, 1965, and is a public document.

Since then there has been some correspondence emanating from the government of Canada and directed to the province of British Columbia. Little if anything has been heard from the province. For a government which was on previous occasions extremely vocal on this subject, this is indeed surprising. The question now is how the reference will proceed, and of course it will proceed, without a submission from the province of British Columbia outlining the facts and the argument upon which its position is based. It would be a shame if the province of British

Columbia was not to have its policy and its historic claims represented in this way.

Critics of the position taken by the federal government generally assume that Ottawa is challenging the constitutional rights of the provinces with respect to their jurisdiction over those natural resources which lie within their boundaries. This is not true. The federal government gives full and frank recognition to the rights of the provinces in respect of natural resources. They have complete jurisdiction over all resources that lie within their boundaries. But it is a matter of boundaries and not resources that is in dispute. In effect Ottawa is asking the Supreme Court to determine where the provincial boundaries begin and end.

Certain facts are at hand. We know, for instance, that under international law Canada has the ownership of the soil under what might be referred to as internal waters, those inside the base lines and those out and beyond the limit from which our territorial waters are measured. The question with which the constitutional lawyer is faced is whether that ownership vests in Canada as a national state or in the separate and individual provinces that border on these submerged areas.

There are, admittedly, sharp differences of view on this matter. The governments of British Columbia, Quebec and Nova Scotia have each taken the stand that these resources belong to the provinces. Ottawa, having itself negotiated these rights with other nations, has some reason to believe that they belong to the nation as a whole. In other words, we face an impasse but it is an impasse that should not be allowed to hold up the development of these valuable resources.

It could happen, but I doubt it, that the Supreme Court will find that the federal government has no jurisdiction in this field. The Prime Minister stated quite categorically at the federal-provincial conference in July, 1965, that if this were to be the case, Ottawa would "accept the decision and implement it as rapidly and as effectively as possible". He went even further and said that "all revenues collected from federal permit holders, for any area which the Supreme Court found not to be within the federal jurisdiction, will be remitted to those entitled to them", namely, to the provinces.

Equity demands that the provincial governments, on the other hand, adopt a similar attitude with regard to federal rights and property. I understand it has been the advice

of the law officers of the crown that offshore minerals are not within the boundaries of the provinces and that they belong to Canada as a whole.

This opinion is not one of recent date; it has been given to successive federal governments and, indeed, whenever Ottawa has had occasion to inquire into this matter. Given this consistency of opinion, the federal government can scarcely turn over rights and benefits to the provinces which are legally thought to be those belonging to Canada as a whole. These opinions at the very least should be put to the test in a court, in this case the Supreme Court, which will take into account arguments advanced by the provinces themselves.

Should the Supreme Court find that these offshore rights do indeed belong to the federal government, and I am again quoting from the introductory remarks made by the Prime Minister to last year's federal-provincial conference—"equitable arrangements may then be negotiated between the federal government and the provinces".

There is another aspect of this problem which I think bears discussion and it is this. Because federal regulations for the disposal of mineral rights by lease or permit differ —they differ as to charges and in other ways—from provincial regulations there is a possibility, and I suggest a distinct possibility, that private individuals, private corporations and companies engaged in exploration for oil and gas may take either level of government or both to the courts. Thus an administrative impasse occurring before the legal position has been determined in accordance with constitutional requirements could lead to legal proceedings before a local court.

Although the case would probably reach the Supreme Court, the dangers inherent in such a reference reaching the Supreme Court should rule out a political agreement between the two levels of government prior to a determination of the constitutional position. In other words, I am saying that were the federal government to withdraw its reference, were this matter to be subject to a series of federal-provincial negotiations, there could well be a dispute arising as a result of these overlapping jurisdictions and different regulations. Private actions could be taken, they could proceed in the courts, and we would be in an unholy mess.

Perhaps, Mr. Speaker, I will be permitted to deal with yet another aspect of this problem. It has been suggested that while this

reference is before the Supreme Court there should be a freeze on the issuance of permits to private corporations wishing to undertake exploratory and developmental activities off our coasts. Surely this is not in the interest either of the provinces or of the nation. In order to deal with this possibility the Prime Minister last July suggested that a *modus operandi* be established with the provinces for the interim period when the reference was under consideration by the Supreme Court. More specifically he suggested, and I am using the words of the Prime Minister, "that governments should agree to concert their action in this field so that companies could obtain licences from both governments involved, without prejudice to each other's claims. In this way we could avoid the embarrassment of having permits issued to different companies for the same area".

As I understand it, Mr. Speaker, there has not been an accommodation of this kind; in other words, this invitation has not yet been taken up. It is not altogether surprising. I wish to refer very briefly to the public submission made on May 31, 1965, comprising part of the submission of the province of British Columbia to last summer's federal-provincial conference. This submission deals with, and I am first referring to the heading, "Provincial Foreshore Mineral Rights". I underline the word "foreshore". The submission says:

> The government of British Columbia views with great alarm the recent decision of the government of Canada to refer certain questions respecting the ownership of provincial foreshore—

I again emphasize the word "foreshore":

> —mineral rights to the Supreme Court of Canada. No step by a national administration in the 94 years since British Columbia entered confederation has caused more shock and concern.

Then later:

> May I warn politely, but in the strongest terms, that this federal step will not contribute to national unity. It is the recommendation of British Columbia that federal questions submitted to the Supreme Court of Canada on foreshore mineral rights be withdrawn promptly.

I looked up the definition of "foreshore" in order to quantify and understand what perhaps the province of British Columbia means by foreshore mineral rights. One authority at least conceives the foreshore as being the shore between the high and low water marks. Clearly what we are discussing here today, and I trust this is thoroughly understood to be the matter before the Supreme Court of Canada, are the rights to the subsurface, the soil and subsoil extending not just yards or even miles but literally hundreds of miles out to sea.

• (6:40 p.m.)

I have wondered, on rereading the submissions of the province of British Columbia, whether the province was perhaps backing down a little bit, whether it was going to take a position which was in effect a partial retraction of the position which it appeared to take in public on this matter.

I have spoken at some length but I do think this is a very important issue. In economic terms our offshore mineral rights are of major importance to the nation. I trust that as a result of this reference to the Supreme Court, a reference which will proceed this year, we will have a ruling within the next 12 or 18 months which will reduce the uncertainties and I hope and expect, designate the federal government as the only authority in this case. This does not preclude a subsequent accommodation as occurred in the United States where the States of the Union obtained rights out to the three mile limit and the nation of the United States retained all the rights extending beyond that.

Surely, some such accommodation is possible in Canada. However, in the interim we need to know what the law says. I trust that this question and other similar questions are never resolved in the political arena where the outcome is never clear-cut, where considerable uncertainty continues throughout all time. I want to see this reference pursued. I want to see it dealt with by the Supreme Court of Canada and I want to see a reasonable accommodation between the nation and the provinces subsequent to the rendering of a decision on the reference to do with offshore mineral rights.

[*Translation*]

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, it is with great pleasure that I speak in support of the motion of the hon. member for Shelburne-Yarmouth-Clare (Mr. Bower), and I congratulate him for initiating this debate, which is of interest not only to the Maritime provinces and the provinces of Quebec, and British Columbia, but also to other Canadian provinces. As a matter of fact, eight Canadian provinces are interested in mineral rights off the coasts and on the continental shelf.

As recalled a few moments ago by the hon. member for Coast-Capilano (Mr. Davis), on October 14, 1964, at a dominion-provincial conference, there were wide differences of

opinion between the representatives of the central government and those of the provincial governments. On December 11, 1964, the present government took the decision on its own, without the unanimous consent of the provinces, to refer the issue to the supreme court.

I object to this attitude on the part of the government and I support the motion of the hon. member for Shelburne-Yarmouth-Clare for the withdrawal of this unilateral initiative of the central government and the settling of the issue at a dominion-provincial conference.

It can be said, Mr. Speaker, that the debate on offshore mining rights directly affects federal-provincial relations, the role of the supreme court and the capacity, even on the international level, of the provincial states.

Mining rights and rights to natural resources on the continental shelf are something that has not been defined in 1867 and that seems today to come under the responsibility, in a way, of the provinces and of the central government.

Obviously in 1867, the Fathers of Confederation could not foresee all those modern techniques, inventions and discoveries. We could not expect them to foresee the invention of the airplane or the discovery of fantastic and vast resources on the continental shelf. Consequently, if at that time such resources had been apparent, if this problem had arisen, it would not have been a court, or the privy council that would have settled it; it would have been the Fathers of the Canadian confederation because it was a political matter and not a legal one. They would have agreed on the nature of the power and on the extension or sharing of the power between the central and provincial governments.

The question here is not one of interpreting a section of the British North America Act, since it does not contain any provision on this matter, although the letter and spirit of the Canadian constitution clearly show that the area of natural resources, property and development of the fruits of property belong exclusively to the provinces.

I consider, Mr. Speaker, that our constitution is a pact and that any new power must be negotiated between the parties and not created by a court, whatever it is.

Our Canadian constitution is a pact. It is not necessary to deal with that matter at length because the leaders of the greatest political parties have acknowledged it throughout our history: Cartier and Macdonald called it the federative pact; Laurier and Borden did the same thing; Meighen called it a federation of majorities and minorities; Ferguson became indignant in a very well-documented report at the idea that a different opinion could be expressed. Ernest Lapointe, in turn, said that confederation was a compromise. In addition, the judicial authority, that is the privy council in London, in several decisions, in particular on aeronautics, in 1932, through the voice of Lord Samkey, stated that the Canadian confederation was a pact. Therefore, since the Canadian confederation is a pact, any new power must be defined, established and agreed to by the parties concerned and not created by a court.

A court, Mr. Speaker, must only interpret a section already established, already part of our federal system. On the other hand, the Supreme Court is not, in my humble opinion, an appropriate constitutional court to settle the matter.

Before 1949, our constitutional disagreements were solved by the privy council in London. Under a federative system, such was an adequate court. The court which is to decide the constitutional conflicts must be objective. Its members must not be appointed by one side only. Before 1949, constitutional conflicts were solved by the privy council in London and that is why, until 1949, the provinces secured many decisions extending their powers.

Since 1949, since Canada abolished appeals to the privy council, as proof of Canadian sovereignty, we found ourselves in Canada without an adequate constitutional court in a federative system.

And that is why, so long as the central government and the provinces do not jointly set up a constitutional court where both would appoint representatives, we cannot accept in a spirit of genuine federalism Supreme Court decisions on our constitutional conflicts.

When I brought up the matter with the hon. Minister of Justice (Mr. Cardin) on February 15 last, he said the time had not yet come to institute a constitutional court. He even said, Mr. Speaker, that the officials of his department did not feel it was necessary at this time, to set up a constitutional court. Just imagine. The minister does not decide, nor does the cabinet; the civil servants of his department are the ones who decide.

In my opinion, the political and constitutional nightmare we are going through is due to the fact that we are trying to solve our political and constitutional problems by means of political pressure and administrative decisions. I think the government was wrong in not setting up a constitutional court to proceed with the revision of the Canadian constitution in order to deal not only with mining rights but several other matters.

The new power referred to in the hon. member's motion will interest, in a sense, both levels of government. The question is relatively simple and far from complex: the provinces have exclusive jurisdiction over natural resources and property.

Paragraph 13 of section 92 is clear on that point:

Property and civil rights in the province.

And what is an exclusive right, Mr. Speaker? It cannot be taken away from us by somebody else, because it belongs to us, it is an absolute right and no part of it can be taken away from us unless we agree.

Now, several Canadian provinces are jealous of their property and the benefits derived therefrom.

In another connection, the federal government, as a state, is concerned with international relations, in international agreements; it enters into negotiations, into international agreements, whether it be the law of the sea, freedom of navigation, fishing rights and scientific research under the ocean.

Well, it would be necessary to give definitions and this is a political, not a legal question.

The agreement mentioned a while ago by the hon. member for Coast Capilano, the 1958 agreement of which Canada is a signatory was concerned with the law of the sea. But the 1937 decision on the *Labour Convention Case* before the privy council should be kept in mind. It was stated that the federal government could not sign international agreements and commit the provinces in an area of exclusive provincial jurisdiction, since international law cannot alter the constitutional law of a country. International law, international agreements are related to the constitutional provisions and standards of a country.

If this motion were adopted, it would perhaps mark the beginning of many negotiations and agreements between the provincial governments and the federal government.

Unilateral administrative decisions should cease because they cause political strains which are harmful to understanding and national unity. Very soon, representatives of governments at every level will have to examine our Canadian constitution and adapt it to the problems of today and those which have arisen since 1867, and find the right solutions. Let us stop putting this problem off indefinitely. This is why since the beginning of the session some members of the house have been suggesting a constitutional conference or a joint committee of the Senate and the House of Commons which would enable us, the representatives elected by the people, to face up to our responsibilities in this respect. It is not the responsibility of the supreme court of Canada whose members are not elected by the people, nor that of the Department of Justice officers, to decide if a constitutional court should be created, but this responsibility lies with us, the people's representatives and it is for us to take a decision on all political aspects of the matter.

I hope the government will take these suggestions into consideration. The fact that this matter has been raised by the hon. member shows how important it is to establish a constitutional court as soon as possible.

If such a court existed today, the provinces would agree, with the federal government, to submit to that court this matter of off-shore mineral rights. But we do not have such a court, and the provinces object, and quite rightly.

At the time the Prime Minister tabled the famous Fulton-Favreau formula in the House of Commons, he said that it was conceived by virtue of a genuine federalism. Now, since they are making this a matter of genuine federalism, Mr. Speaker, let them begin by giving us the organization required for the exercise of such a federalism, that is a constitutional court to which the provinces and the central government would appoint representatives, so as to settle the question put in this motion as well as the ones that will arise, as a result of this new mentality peculiar to each section of Canada. For instance, in some fields such as education, nine provinces have agreed to let the Ottawa government look after it; on the other hand, the province of Quebec has refused. There are many questions that could be solved with the help of a constitutional court. I am, therefore, happy to support the motion of the hon. member.

• (6:50 p.m.)

[*English*]

Mr. Bert Leboe (Cariboo): Mr. Speaker, all I have time for this evening is merely to state

that I am in full agreement with the motion before the house. There are quite a few things I should like to say but if I do so I will talk the motion out. At the appropriate time on estimates I shall deal very extensively with the remarks of the hon. member for Coast-Capilano (Mr. Davis).

Mr. S. Perry Ryan (Spadina): Mr. Speaker, I should like to compliment the hon. member for Shelburne-Yarmouth-Clare (Mr. Bower) for bringing forward this motion in the house, though I cannot agree with what he wants to do. Nevertheless I welcome this opportunity for discussion.

I am in far more agreement with the hon. member for Coast-Capilano (Mr. Davis) when he puts forward the argument that this is a boundary problem, not a problem of natural resources. Traditionally the three mile limit has been observed off our coasts both internationally and domestically. The federal government has guarded and patrolled our shores for many years now.

The Supreme Court of Canada is the proper authority to give a decision in this matter. When that decision has been rendered any settlements found necessary or desirable as a consequence of such decision can be made. In this regard we have the precedent of the United States. There states fought bitterly over offshore rights and finally the court came down in favour of federal ownership. Subsequently settlements were made.

In Canada the Supreme Court is the proper court to decide this issue. It will protect the rights of all parties. I would submit that not only is the federal government involved here as well as the ten provinces and territories but that Indians and Eskimos may have claims that should be heard.

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

The house in committee of supply, Mr. Batten 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 $2,560,546,715 for the purposes of votes 1, 5, 15, 20, 25, 30, 35, 40 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 $1,044,262,000 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 in respect of assistance rendered to the United Nations, any party of the North Atlantic Treaty Organization or any provincial or municipal government, $5,204,855.

The Chairman: Shall the item carry?

Mr. Winkler: Mr. Chairman, at six o'clock I was making some comments with reference to the method of supplying stores and facilities to Canadian troops, particularly on the continent. I was making reference to the system now used in camps of the Canadian army as opposed to that being used on air force bases. The army camp method is called Maple Leaf Services, and on the air force bases it is called PX, similar to the U.S. system. I was saying that a revision of the systems in effect would amount to an increase in income for members of the Canadian army concerned. I say this, Mr. Chairman, because of my personal experience in this regard, and I am putting this forth as coming directly from the enlisted men and other ranks on Canadian bases, and also from my own knowledge gained on air force bases.

• (7:00 p.m.)

It is worthy of note, Mr. Chairman, that the Maple Leaf Services organization is directed by a board of directors right here in the nation's capital, and is composed, I believe, of ex officers of the Canadian army. I do not know whether they are paid out of the profits of M.L.S., or whether they have expense accounts, but I do know that there is a great difference, when you compare the method of direction, from the method used on the air force bases where the commanding officer of the station controls not only the policy, but the price system and the price structure in stores under his jurisdiction. I know that he has, with the assistance of and in consultation with other people on the base, the power of disposition of the profits from the stores which, as I understand, are substantial. The services at R.C.A.F. stations, which most army camps do not have, are not a charge against the Canadian taxpayer. That is, I think, a very worth-while method of operation for those services. In the case of the army bases this is not so.

I understand that decisions of M.L.S. are made by the board of directors in the nation's capital, and that the profits made at a camp

in Germany, for instance, can be spent anywhere in Canada, or anywhere else for that matter. One finds as a result that the services on army bases are, by no stretch of the imagination, equal to the services that are made available to personnel in air force bases. This seems a small item possibly to bring forward at this time, but it was important to people in the camps that I had the privilege of visiting.

Another important matter I wish to raise in regard to army camps is that personnel used as employees in these stores are largely from the local area. In other words, they are nationals of the locale in which the camps are situated. In the case of the R.C.A.F. PX stores, usually a member of the serviceman's family was employed. Therefore there is a double benefit to be had from this change that, I suggest, might go to the benefit of people living on Canadian army bases on the continent.

I also learned that very few in the ranks of the officers had available certain services. This was of equal importance to wives of servicemen. For instance, I know that it was not possible for them to enjoy the convenience of, shall we say, automatic washing machines or dryers. A few machines in isolated cases are available, largely as I understand, only to senior officers. This was a complaint from the junior officer branches in both the army and the air force. I think it would be very easy, unless it has already been done, to make available the services I have suggested to people on these camps, if the proper organization steps from headquarter in Ottawa were taken.

I bring that particular phase of my intervention to a conclusion, and I simply say to the minister that in regard to stores facilities if he could see fit to bring about the changes I have suggested it would increase the pay particularly of army personnel in camps on the continent. It would result in lower prices and in a greater degree of station services than under the present high priced structure. The services operated under the Maple Leaf name are not necessary. I think the minister might have his officials look into this aspect of things on the continent.

There is one other thing that I learned in the course of the debate that I have not heard the minister thus far refer to. Because the points in regard to weaponry have been dealt with I will not waste the time of the committee. However, I say this to the minister in regard to our position in national defence, and in regard to our purchases of weaponry from the United States: I do not want the minister or anyone else to misconstrue my words in this regard, but we must understand where we stand in international affairs. We are beside the largest and most powerful nation in the world; we cannot deny that. Certainly if difficulties arose we would hope that our communication would be as close and as warm as ever. At the same time I must say to the minister and to the members of the committee that there is no reason that we have to be dictated to by any particular individual in the Pentagon with regard to Canadian policy.

• (7:10 p.m.)

I think back to those times when defence policy became such an important issue that the minister debated it more than he has debated it at this time. I should like to inquire from him whether he is aware of the change, because of the fact that the military is so closely related with external affairs. I would ask him if at any time he was aware of direction being given from Washington in regard to weaponry they wanted Canada to acquire. Is the minister aware that at any time any officer felt it was necessary for Canada to participate in international defence matters? Was any pressure being brought on the Canadian government at that time in regard to its foreign policy and its association with the Organization of American States? That is important to know in the light of what has occurred in the last few weeks, and in the light of an apparent acceptance of the fact not too many years back that the American authorities did bring pressure to bear on the press of this country in regard to the way a certain election campaign would be conducted.

I wonder whether any of this information was available to the minister at that time? Was it the policy of his party to use this in connection with the political position they were taking then? This seems to be an important matter in the consideration of our defence policy at the present time.

We are not here to play politics, as one of my colleagues said earlier in the evening. We are here to determine in the interests of the Canadian taxpayer whether this money is being spent wisely. At the same time, I say my previous remarks are closely relevant in this regard. Is there even one United States authority which has been dictating any policy for the Canadian government to follow? If so, surely we are big enough and have enough

blood left in our veins to choose the course of events which we ourselves want to follow. I hope no such considerations are inherent in the purchases which have been made in areas which were the subject of much criticism by the minister when he was seeking office during that period.

That is all I have to say. I hope that in due course the hon. gentleman will make some comment with regard to these important questions.

Mr. MacInnis (Cape Breton South): Mr. Chairman, a certain amount of repetition is unavoidable when taking part in the debate at this point. However, I think I can say a few things which need to be said about government policy in the field of national defence, and about the attitude of the minister.

As to the latter, I may say at once that I am sure we would all appreciate it if, while his estimates are being discussed, the hon. gentleman could get here on time. He is so taken up which his public relations and the effort which is put forward to get him a favourable press that he sits here day after day enjoying himself, trying to live up to the "know-all" image which his staff is endeavouring to foist upon the Canadian people. The minister would be well advised to take a good look at the chaos he has created and the devastating effect of the policies he has introduced upon the morale of our armed forces.

During the war years, the hon. gentleman's chief claim to fame was that long motorcycle ride from California to his home town. I would say that a trip back there would be in order. Reference has been made to his record in opposition as defence critic. This has been examined. So have the contradictions in that record—contradictions produced by the minister himself since his role changed. The minister seems to try to slough off these remarks in the same way as he has endeavoured to slough off other representations made from this side of the house. I would ask him to consider carefully the attitude he himself adopted as—supposedly—the chief opposition critic on defence matters, and to review what he had to say in respect of the policies he was denouncing at that time.

It is difficult to understand how a few senior officers can go about defence establishments making speeches prior to elections with no other purpose in mind than to impress on the rank and file as well as on others serving in the armed forces their idea of the value of the present Minister of National Defence. Yet this is the practice which has been followed by certain officers, and should the minister object or feel he is able to deny this statement, let him review the questions on the order paper and indicate why the question put forward by my hon. friend from Digby-Annapolis-Kings has not been answered. That question has direct reference to senior officers making speeches in defiance of the rules and regulations with no other purpose, as I have indicated, than to campaign on behalf of the minister. If the hon. gentleman questions this I would ask him to consider the fact that the Liberal party sent representatives to Europe with the sole purpose of visiting military bases there in order to carry out electioneering on behalf of that party—to a point where one representative of the Liberal party was obliged to take a plane back to Canada, having encountered one senior officer who correctly understood the regulations.

If the minister wishes to look into these charges he can do so. Should he fail to find answers, I will provide them. As late as yesterday I watched a television commercial advocating enlistment in the armed forces. It told Canadians how our armed forces are prepared to look after any situation which might arise on land or sea, or in the air when the defence of our country is required. It told them how the services are prepared to play an important part in keeping the peace of the world. I understand that both ethics and legislation require that advertisements should be truthful. The minister of defence should bear in mind, for example, the situation in Halifax and on the west coast where the navy cannot provide sufficient manpower for its ships. I know the minister tells us that this is because they are old. He ignores the fact that it is the shortage of trained personnel which has brought this situation about. This shortage in personnel is attributable in large measure to low morale, as has been indicated by responsible senior officers.

Morale and the whole question of confidence are much involved in an incident which took place late in December at Rankin Inlet. The date is not so far away that the minister will be unable to recall what he said on an occasion when he indicated his willingness to assist in the recovering of a downed aircraft—only to say, the next day, that this was not possible because a Hercules aircraft could not land because of field conditions. At the same time, the hon. gentleman was interested in preserving his image. In this instance

he foisted the blame upon his colleague the Minister of Transport. I note the Minister of Transport is not in his place and I hope somebody on the other side is responsible enough to call his attention to what the Minister of National Defence was trying to do. He immediately placed the blame on the Department of Transport, and indicated that difficulty was being experienced in obtaining proper information from that department. Did the hon. gentleman contact his colleague, the Minister of Transport, in order to obtain priority with regard to the information required?

I would very much like to hear what the Minister of Transport might have to say about this matter. Should a national emergency arise in this part of the country in similar circumstances, where would we find ourselves? The indications are that the Canadian forces could not even find their way into that part of the country. No, we are not prepared, despite the claims the minister has made. On his own admission there are situations which we cannot handle as indicated by our failure to do anything at Rankin Inlet last December.

The question which arises is this: What does the minister propose to do to rectify these omissions? The minister made a statement about the capabilities of our air force in Europe. Here I am dealing primarily with the question of morale. We are all very proud of what our air force has accomplished. However I would like the minister to tell us, if he knows, what he intends to do about the most recent report from General de Gaulle to the effect that from April 4 foreign troops in France will come under the jurisdiction and command of the French government.

• (7:20 p.m.)

Mr. Hellyer: That is April 1, 1969, is it not?

Mr. MacInnis (Cape Breton South): Are we prepared for this, and are plans being formulated with respect to our service personnel? The minister has been questioned in respect to our nuclear role. He has been asked whether the departmental people are travelling in different directions, as indicated very recently in Montreal by someone close to the minister. What is the true course of our intentions here? Are Canadian troops involved in the laying of nuclear ground mines around the perimeter of NATO defences in Europe? If so, what part are Canadian troops playing in this field? Does the minister feel the phasing out policies announced by his government are making any headway? I would be very interested to hear him with respect to the nuclear ground fields.

I suggest to the minister that, rather than follow the course of looking down his nose, he sit up and examine what actually is going on—rather than use the department to further his own image in the hope that he may some day lead his party.

He should stop the stupid and silly approach which is being used to publicize himself. There is absolutely no need for anyone in his department to suggest to opposition members that they ask more questions of him, with the prime purpose of giving him publicity. I notice the minister is finally sitting up and taking notice, I say it is a stupid and silly approach to have somebody from his department come to opposition members and suggest that we ask him questions.

Mr. Hellyer: I agree with that.

Mr. MacInnis (Cape Breton South): I am not surprised the minister agrees with it. The minister himself initiated this type of activity. He will recall, although the Speaker of the day did not agree with it, that I attempted to put questions to him. I was ruled out of order by the Speaker; but it was the minister who took it upon himself to suggest that I should ask a question in the house so that he would have an opportunity to give a favourable reply. When I asked the question it was ruled out of order, despite the fact that the minister had suggested this course. In spite of all his preparations he did not come up with a favourable reply to my question, and when he did get an opportunity to deal with it his suggestions were most ridiculous.

Are he and his colleague still trying to get the Canadian people to pay for something which was formerly the property of the Department of National Defence but of which the crown assets disposal people have no inventory? Is he still trying to sell these abandoned war materials? This was the type of question I had and which he had every opportunity to answer in correspondence; but, adopting the policy still being advocated by people in his department, he insists that members of the opposition publicize him by getting up and following this stupid course.

Mr. Herridge: Would the hon. member permit a question? Is he aware of the fact he is just three years out in respect of President de Gaulle's statement about getting rid of NATO troops in France?

Mr. MacInnis (Cape Breton South): I am aware of the statement previously made by President de Gaulle, but there seems to be a little more determination in the one he made recently. A date line has been set of April 4 with respect to the NATO forces.

Mr. Knowles: What year?

Mr. MacInnis (Cape Breton South): This year.

Mr. Knowles: The hon. member did not read the paper.

Mr. MacInnis (Cape Breton South): Probably I read a different paper. In any case General de Gaulle has indicated his intention of taking over service personnel of foreign countries that remain in France after April 4.

Mr. Walker: But what year?

Mr. MacInnis (Cape Breton South): 1969 is the answer, and I thank the hon. member very much. With respect to the question asked by the hon. member for Kootenay West, when that same problem came up on a previous occasion the Department of National Defence had no answer for it. In many respects the policies followed by the government are most ridiculous.

On the question of morale I realize that the matter I am going to mention comes under the jurisdiction of the Minister of Veterans Affairs. It concerns our enlisted men and women and their pensions, and in the case of pensions I feel the Minister of National Defence should take it upon himself to make representations on behalf of service personnel and their families.

The Auditor General's report has indicated that in some cases pensions for service personnel were dated back to the age of nine years. I contrast that with the case of Sergeant Hamood, a man from my own town, who was serving in Europe. I bring it to the minister's attention because I think it is his responsibility to intercede with the Minister of Veterans Affairs. This sergeant was a married man, serving in Europe and living off the base. Each and every day he took part in a car pool in order to arrive for duty at nine o'clock in the morning. On the particular morning I am referring to he was travelling with his own commanding officer. There was an accident and this young Sergeant Hamood was taken to hospital. There they had to cut his uniform off, and there he died. But the Minister of Veterans Affairs can see no reason why his survivors should get a pension,

despite the fact that the man was killed on his way to work, was in uniform, and was travelling with his own commanding officer.

It is the minister's responsibility to look after the troops. This man's wife and children are denied a pension because, according to the department's interpretation, he was not on duty at the time he was killed. It is something which has a direct effect on the morale of our troops and I believe the minister should take the matter up with his colleague, the Minister of Veterans Affairs, and have something done about it.

As the various items of the estimates come up I have every intention of saying more with respect to these matters. Once again I plead with the minister to intervene on behalf of the sergeant's family I have mentioned.

Mr. Grills: Mr. Chairman, the reason I am taking part in this debate at this time is due to the fact that one of the largest and finest air stations in Canada is in my riding. I refer of course to Trenton air station, the home base of Transport Command, as well as No. 6 repair depot.

I have more than a casual interest in this debate because I represent many of the personnel at this air station and am associated with them in the business and social life of our community. I have met some of the finest calibre of citizens who have intended fulfilling their carreers in the air force.

So far as the minister is concerned, as an individual outside his office I have found him a likeable person. At one time it was said that he somewhat resembled the Leader of the Opposition, but I am afraid that so far as ability is concerned there is no resemblance. During my acquaintance and experience with armed service personnel I have never witnessed morale so low within the services. In my opinion nothing in the history of the Canadian armed forces has shaken the individual serviceman's morale more than the mismanagement of integration.

Why is morale so low within all services and throughout all ranks? The answer lies in the methods used to release personnel ahead of their normal retiring dates. The total disregard of the individual and the callous and ruthless method of chopping away careers has alarmed everyone.

• (7:30 p.m.)

Airmen and officers with long and honourable service were suddenly released. For many months all ranks knew that releases would be made because the minister made frequent

press reports and announcements of the sweeping reductions to be made. No official word was given to the individuals; they had to sit and wait until the fateful letter arrived giving them three months to clear out, and in some cases less. Some received their letters while serving overseas. The individuals chosen had no chance to plan ahead or to begin the organization necessary to obtain employment. Servicemen who wear the uniform often live for years in isolated bases, often in public housing. They are divorced from the normal way of life and have a real problem in readjusting.

One of the basic reasons for the low morale today is the insecurity caused by an uncertain future. The serviceman never knows when he may receive a "you are through" letter. Servicemen knew that many of the early retirements were unnecessary and that normal retirements within three years would have reduced the forces by the amount claimed necessary by the Minister of National Defence. They also knew that the savings claimed by the department were just for press releases. They believe that the personnel selections were made by the officers of the minister and not by the personnel staff of the services. It is my opinion that the average military person, whom I have come into contact with, feels no real pride in belonging to the military forces of Canada. The average serviceman feels he has lost the respect of his fellow Canadians, and believes they have no interest in his well-being.

The huge amount of propaganda put out by the Department of National Defence prior to integration has convinced the serviceman that he is nothing but a football to be kicked about by Liberal politicians. Today servicemen badly need a new minister to trumpet their worth and to give them pride in serving their country.

I have noticed that in recent years the servicemen's votes have been predominantly Liberal. After the treatment they have received from this minister they now wonder why they voted this way. I agree that they are privileged to vote as they wish, but I noted some difference in the last election and look forward to seeing a further change in the next, whenever that may be.

In my opinion, in the minister's remarks at the outset of this debate he overlooked the most important factor in any institution: the personnel, the human factor.

To prove some of my statements, Mr. Chairman, let me say that during the recent election campaign, when the minister was good enough to come to speak in Trenton on behalf of my friend the Liberal candidate, the attitude of the servicemen to the minister was clearly shown by the heckling he received from the members of the armed forces. I am sure that night will linger in his memory for some time. Some of the servicemen had to be removed by service police.

Mr. Hellyer: That is not true.

Mr. Churchill: He says that is not true.

Mr. Hellyer: It is not true.

Mr. Grills: Will the minister come down to Trenton and tell me that it is not true? I could say a little more about this if he likes. I have knowledge from reliable sources that the minister did not intend to come to Trenton. About ten days prior to his coming to Trenton I had the privilege of speaking in the same hall in which he spoke and I am sure that he was drafted to come down in an attempt to save the situation which was deteriorating fast for the Liberal candidate. He came on short notice and made the best he could of the situation.

Servicemen are now so discouraged that they are writing letters to members of parliament—I have some on my desk today—asking how to get out of the services. They are completely discouraged. On November 26th—or it may be the 28th; I would have to check the date—a new policy was brought in whereby servicemen must wait six months before they can be released. If these men are happy in the service and are not getting out in great numbers, will the minister tell us why that policy was brought in? Many servicemen are asking to get out at this time, so many that it has become alarming.

Mr. Chairman, I could say a great deal more about this situation but I do not think I should take up any more time of the committee or embarrass the minister further. However, it is high time he came down from his ivory tower and changed his arrogant attitude towards service personnel in this country, or resign in favour of someone who does appreciate their worth in the service of Canada.

The Chairman: Shall vote No. 1 carry?

Mr. MacLean (Queens): Mr. Chairman, I want to take a little time of the committee to discuss some aspects of the very important questions of national defence covered by the estimates now before us. May I preface my

remarks by saying I think it is unfortunate for Canada that there has been such a long time during which parliament has not had an opportunity of examining defence matters in parliament as a whole. You will recall that there were no discussions or opportunities for discussions on the defence estimates during the last session of the last parliament and that the estimates for the year before that were passed very quickly under the guillotine. The government should recognize that in a democratic society it is responsible to the people and is a servant of the people, and that parliament as a whole is the representative of the people. The government should hold itself accountable to parliament and to the people for all its actions.

The time honoured way of doing that is to present the estimates of each department of government to parliament every year for examination. As a matter of fact, it is necessary for parliament to meet at least once a year. Theoretically we could have a session of parliament during which no legislation was passed, with only the estimates being considered. I think that is only right because a consideration of the estimates and the voting of supply in my judgment should always be at the top of the list of priorities.

• (7:40 p.m.)

During the last session of parliament the government seemed to be preoccupied with decorating its political window with tinsel, rather than seeing to what was in the shop. During all the months of last winter and spring until the end of June, the estimates were not discussed. I do not believe that is the right way of conducting the affairs of parliament in a democratic country. For the reasons I have stated the defence estimates, in common with many others, have not been examined by parliament for a long time. The last major debate we had on defence was in 1964, almost two years ago. That was the debate on the bill which was passed to amend the National Defence Act to allow the reorganization of the Department of National Defence. But since parliament transferred this additional power to the government, the government has not held itself accountable to parliament for its actions, nor has it reported on the results of those actions until now, when we are considering estimates which are already eleven-twelfths spent.

Mr. Chairman, there are many, many questions in the minds of the Canadian people as far as defence matters are concerned. Perhaps chief among them is the question of integration. The Canadian people want to know what will be the result of the program of integration being carried on. The services themselves want to know exactly what the program contemplated is going to be, how far this business of integration is going and what it means. The question of integration has been put forward as a convenient vehicle for propaganda and it has been said it will be a great means of saving money and preventing waste.

I am all for efficiency, the prevention of waste and the elimination of duplication or triplication wherever it exists. But I feel there are disadvantages in the program of integration, depending on its extent. These disadvantages have never been admitted. The benefits claimed for it have never been documented or substantiated, except that it has been said time and again that integration will save Canadian taxpayers roughly $100 million. But the expense of defence remains about the same. It should be noted that if $100 million is being saved by integration there is another $50 million or so saved in defence expenditure, by reason of the fact that defence construction has been greatly reduced over the last three years.

As I understand it, for the last three years the expenditure in connection with defence construction has been roughly a third of the figure for a good many years before that. This is for the construction of buildings having to do with defence plant. For the last couple of years for which I have figures, the expenditure was just over $25 million for this item; for a number of years prior to that it was on the average at least $75 million a year and one year it went up to over $150 million. So there is this element that is no longer a charge on the public. I should like the minister to report as to the actual progress being made toward spending a larger percentage of our total expenditure on equipment and a lesser amount, relatively, on the housekeeping side of national defence.

Up till now, Mr. Chairman, we have been lacking factual information on the effects of integration and on what we are getting for the defence dollar as of 1965 or 1966. Then, too, there has been no significance given to the intangible things which have to do with integration. The White Paper which was produced a couple of years ago mentioned integration, and I shall quote briefly from it:

> Following the most careful and thoughful consideration, the government has decided that there is only one adequate solution. It is the integration

of the armed forces of Canada under a single chief of defence staff and a single defence staff. This will be the first step toward a single unified defence force for Canada.

The query in the minds of Canadian people, and I think in the minds of the men serving in the forces is, what are the additional steps? How far are these steps going? What is meant by a "unified defence force for Canada"? If it means co-ordination of all three services at every possible level into a well balanced fighting force, with the elimination of duplication in our administrative commands, that is fine with me and I think it is fine with most Canadians.

However, Mr. Chairman, if it means doing away with tradition, with the three separate services and the many other things that create morale and esprit de corps, I have very grave doubts about it. The White Paper no doubt was aware of these intangible elements with regard to integration but they were given short shrift in the White Paper. It says:

Two objections are given as reasons why integration should not be undertaken. First, that morale or "esprit de corps" is weakened, and second, that competition is diminished. Neither of these objections will stand against careful scrutiny.

But I believe the proof of the pudding is in the eating and we can gain by experience in this matter. As has been said by various other members of the committee, morale in our defence forces is low. There is a great wastage of skilled personnel from all three services and the explanation that this is due only to competition from civilian occupations is not the full answer, because Canada has been equally prosperous on previous occasions and the existence of this type of competition has not previously, to this extent at least, caused the low morale that exists in the services.

In addition, Mr. Chairman, all Canada is not prosperous. The Atlantic provinces are not prosperous; they still have a high unemployment rate. This is a part of the country with a long and honourable tradition of service in the armed forces. I am sure there are enough unemployed people in the Atlantic provinces alone to fill the gap in the armed forces, if this career was still attractive to them.

We have the situation where only a short while ago pilots, highly skilled and highly trained men, were prematurely discharged from the R.C.A.F. because it was said that we had a surplus of aircrew. It should be remembered that training aircrew to operational level is an extremely expensive procedure. It costs many, many thousands of dollars to train one pilot. Now we are understaffed as far as aircrew and technicians in all three services are concerned. Many of our armed units are under strength. We have the situation where some of the ships in the navy are not operational because of the lack of crew. I believe the minister said that the remaining destroyer escorts carrying helicopters are more effective than were all the destroyer escorts which we had in operation without helicopters.

This would be true, Mr. Chairman, if you gauged the situation against conditions of a quarter of a century ago. No doubt one of our destroyer escorts of today with a helicopter is infinitely more effective than were our destroyers a quarter of a century ago. But the world is not standing still. As capability in defence matters increases, so does the problem increase and the responsibilities in respect thereof. The problem of anti-submarine warfare is greatly increased.

• (7:50 p.m.)

In the past, submarines were short range attack weapons. They could not attack shipping, which was their only target, without exposing themselves to counterattack. They had to approach very close to a ship in order to attack it, and thus made themselves vulnerable targets.

In this day and age we are not talking about the submarines of world war II; we are talking about a highly sophisticated, nuclear powered, nuclear armed strategic weapon, the role of which is not to attack shipping necessarily but to stand offshore, hidden in the sea somewhere and, while submerged, launch missiles at centres of production or population. This tremendously increases the problem of anti-submarine warfare. I feel it is certainly very unsafe to assume that any potential enemy that we may have will be as unfortunate in its minister of national defence as we are. We can assume therefore that any potential enemy is making advances in the techniques of waging war.

What we need, Mr. Chairman, are some clear statements, simple statements, that are not in any way ambiguous with regard to our defence situation, not only with regard to integration but other important matters. For example there is the question of nuclear arms. Where do we stand on this issue? The White Paper has this to say:

The question of nuclear weapons for the Canadian armed forces is subordinate to that of

Canada's political responsibility as a member of a nuclear-armed alliance. NATO is a nuclear-armed defensive alliance, which dare not be otherwise as long as it is confronted by a nuclear-armed potential opponent. NATO may become less dependent upon nuclear weapons, but the alliance must continue to possess nuclear weapons in the absence of controlled disarmament and as long as hostile forces have them. Its policies must envisage that in certain circumstances such weapons would be used against aggression. A share in the responsibility for these policies is a necessary concomitant of Canada's membership in NATO. One cannot be a member of a military alliance and at the same time avoid some share of responsibility for its strategic policies.

Having accepted the responsibility for membership in a nuclear-armed alliance, the question of nuclear weapons for the Canadian armed forces is a subordinate issue. It depends on how we can most effectively contribute to collective strength.

I agree with that statement, but our contribution to NATO defence has the capability of being nuclear armed, still is nuclear armed and will remain nuclear armed so far as we can see into the future. However, on February 18, the Prime Minister in reply to a question had this to say, as reported on page 1440 of *Hansard*:

Mr. Churchill: I have a question for the Prime Minister which will require a very short answer. Is the Prime Minister going to fulfil his promise to negotiate Canada out of its nuclear role?

Right Hon. L. B. Pearson (Prime Minister): As my friend the Minister of National Defence indicated last night—it was too bad my hon. friend was not listening carefully—we are at present doing just that.

On the one hand, we are negotiating ourselves out of our commitment so far as nuclear arms are concerned, and on the other hand we are retaining equipment to carry nuclear arms, which equipment is armed with nuclear arms. The whole situation is very confusing. These statements, which appear on the face of them anyway to be completely contradictory, do not do anything to remove the confusion in the minds of Canadians. If this whole collection of statements can be rationalized a rationalization should be made so that we, as Canadians, know where we are in this matter.

The White Paper, to which I should like to refer once more, has this to say on page 22 with regard to the air force:

During the decade, we propose to give increasing emphasis to the provision of aircraft for direct support of our ground forces. We anticipate that a high performance aircraft will be available to provide sufficient flexibility for any task we might undertake from ground attack to air surveillance. These versatile tactical aircraft will possess adequate radius of action to allow rapid deployment from Canada to bases overseas. This will permit squadrons to be stationed in Canada or Europe as required.

[Mr. MacLean (Queens).]

Now, what is this long range tactical aircraft? Is this the one to which we have already committed ourselves? Is this the CF-5 they are talking about? We have already learned that this aircraft, although it was purchased as a close support aircraft, is very limited in its radius of action. I do not know what the radius of action is, but various figures have been quoted, all of them under 200 nautical miles. I do not believe by any stretch of the imagination that that aircraft lives up to the picture that was painted for this future aircraft in the White Paper, if this is the one they are talking about. If it is not the one that is meant, the minister should tell us when it is planned to acquire the aircraft spoken of in the White Paper.

I now turn, Mr. Chairman, briefly to one more aspect of defence. This is an aspect which is not of direct concern to the professional soldier, but it should be of great concern to the Department of National Defence, to the minister and all members of the government, in common with the members of any government. It has to do with the effect of defence expenditures on the economy of various areas of the country. The Atlantic Provinces Economic Council has recently made a study with regard to the effect of defence expenditures in the Atlantic provinces. Those provinces are especially vulnerable from an economic point of view to any changes contemplated so far as defence policy is concerned. The introduction to this study quotes from a study recently prepared for the Parliamentary Committee on Defence. It quotes this statement:

• (8:00 p.m.)

Defence spending can, to cite a few of its possibilities, provide an important stimulus to the level of business generally, or in a particular geographic region; reduce unemployment; maintain or advance technical competence; lead to important new inventions and improvements in the non-defence area; stimulate foreign trade; and increase capital investment.

This has been a vital side effect of defence expenditures in recent years. A great deal of the research done in the United States for defence purposes and space projects has had a very important technological fall-out, as it is expressed, as far as civilian production and invention is concerned. In this day and age where only a wealthy country can undertake the design, development and production of highly sophisticated and costly armaments there is a widening gap between such a country and its smaller, less developed neighbours. Canada has an important problem to face in this very field.

No doubt the development of a wide range of very sophisticated military aircraft in the United States, to cite one example, puts the aircraft industry in that country into a position of great advantage over its competitors in other countries, whose aircraft industry does not have large defence contracts to feed on, which enable it to develop new processes techniques and advances.

Between 1951 and 1956 expenditures on national defence in Canada rose from $1,100 million to a high of $1,800 million. Since then defence spending has declined somewhat, to an average of about $1,600 million for the first five years of the current decade. A great deal of this expenditure has been for equipment, and in some industries these contracts do have a tremendously important impact.

In 1960 defence expenditure in certain industries was as follows: Defence contracts accounted for 89 per cent of the production of the aircraft industry; in the electronics industry 41 per cent of the production depended on defence contracts; twenty-five per cent of the ammunition and explosives produced went to defence contracts, which also accounted for 21 per cent of the shipbuilding industry and 19 per cent of the instruments industry.

So that you have a situation in which industries are very vulnerable to fluctuations in defence policy and defence spending. In the Atlantic provinces you have a situation where the economy is even more sensitive to and dependent upon defence expenditures than is generally true for the rest of the country.

I should like to quote one further extract from this study, which is to be found at page 9:

> The importance of defence to the regional economy is far greater than has been traditionally supposed. More people are employed in the defence industry than in any of Atlantic Canada's primary industries or the construction industry. Employing 41,164 civilian and military personnel, defence activities ranked fifth in total employment behind services, trade, manufacturing and transportation and utilities. In 1961 Atlantic defence employment almost exceeded the employment figure for forestry and fishing combined.

You will realize, Mr. Chairman, that we in the Atlantic provinces are extremely conscious of the impact of defence expenditures and defence policy. We hope that the minister will achieve his objective of applying a larger percentage of the expenditures on national defence to the re-equipping of our forces, and we in the Atlantic provinces hope that further steps will be taken to stimulate the supplying of defence requirements from our area of the country, so that unemployment can be reduced at the same time as the defensive posture of our country is improved.

[*Translation*]

Mr. Régimbal: Mr. Chairman, I did not intend to intervene in this debate because I was satisfied that most of the points one could bring to the attention of the committee at this time had been raised quite adequately by various members of the opposition. I am a newcomer here but it seems to me that the rules of politeness have their place in the house just like anywhere else. Usually, politeness requires one to listen when another speaks.

Unfortunately, my experience over the past three days has been quite to the contrary.

If it is the duty of members of the opposition to express their doubts and fears as representatives of their respective constituents, it seems to me that consideration of the estimates should be just as important a debate as any other and should be taken just as seriously.

I feel that the last three days have proved the contrary beyond any doubt. The members on the other side of the house may wonder why the debate lasts so long. They need not worry, we are only starting.

Some hon. Members: Oh, oh.

Mr. Régimbal: Mr. Chairman, we will prove, once and for all, that the opposition has an essential role to play. We represent the majority of Canadian voters. Consequently, the opposition's point of view must be taken into consideration by the government, and in particular by this minister. We had a good example when the Minister of Transport (Mr. Pickersgill) listened, spoke and took notes.

What has happened since this debate started? We are getting absolutely nowhere. I feel this is quite irregular and I ask the minister to take part in the debate. As long as he does not, he has a good chance of staying where he is now.

Let us see what happened. Speeches have been made in the last few days: he does not listen. Questions are asked: he makes no attempt to answer. Definite charges are laid: no reaction. Concrete suggestions are made: no interest is shown. Doubts are expressed: no action is taken. He is attacked: he smiles. He shows no intention of replying in an intelligent manner; if he intends to reply, let him do so without delay. The efficiency of weapons is being questioned: he shrugs his

shoulders. Armed forces morale is discussed: He is seen yawning. He gives the impression of downright arrogance, of total disinterest in any opinion not his own.

Simulators are discussed: no answer. The CF-5 was questionned: still no answer. Inadequacies in the Navy are discussed: still no concern.

These are the only remarks I had in mind. For the benefit of the house and the effectiveness of our work, I ask the minister who is the perfect gentleman to live according to his standards and to take part in the discussion. Otherwise, it can go on for a long time.

• (8:10 p.m.)

[*English*]

Mr. Nesbitt: Mr. Chairman, I have a few remarks and suggestions to make to the Minister of National Defence, which might also be helpful to the Associate Minister. In the last day or so we have heard a great many comments in the house concerning morale in the armed forces. I think most members of the house who have looked into the matter, whether they agree to admit it or not, find that morale in the armed forces is indeed very bad. We have heard the reasons for this a number of times. They include uncertainty in the minds of those who would consider the forces as a career. A combination of events has helped to bedevil the minister and his department at this time. While on the one hand the economy of the country is booming and there is a shortage of labour, on the other new defence policies are being brought in, regardless of their merit, which have caused great apprehension and uncertainty in the minds of the personnel of the armed forces.

I have talked to many people of the armed services whom I have met in the last year or so, and who have said to me, "Well, our rates of pay are not that good. We don't know whether we are going to be kept on. We are getting older. We might be perhaps 30, or 32 years of age. It may be difficult to get a job. It might be better to leave now, when we know we can get a job, and have some kind of future, than wait in the armed forces and find ourselves suddenly retired, or sacked, with no particular future." They feel that it is better to leave of their own choosing when they can get a better position and better salary in industry than to wait until they are compulsorily retired, or are just let out.

The minister and his department are in an unfortunate position. There is a combination of high demand in industry generally for skilled and semi-skilled labour, while at the same time the armed forces have not caught up with pay scales. I know the minister told us the other night that bonuses are to be paid and that the government is going to raise pay scales. Whether these measures prove sufficient incentive under the circumstances remains to be seen.

As another little item may I mention that you always find lags in all government departments, of all varieties and at all levels. Regulations made for previous occasions hang on and on, while circumstances in the country change and complicate matters. As a matter of fact I have had correspondence with the Associated Minister of National Defence with regard to a particular case which illustrates the point I refer to.

The case at issue which illustrates one of these troublesome regulations has to do with a man who has been in the air force for two full terms of five years, and who served two years of his third five year term. In all he has had a total of 12 years service. In common with others, he had a wife and children to maintain, and decided to retire. He knew when he retired, and accepted the fact, that he would give up his rehabilitation pay, and he hoped that after 12 years good service to his country—perhaps the department might consider moving his wife and family back to his home city. But, oh no, they would not do that, they would not consider doing that.

This sort of thing gets around. If the minister and his department hope to get new recruits, regulations of this type will have to be rejected. I have heard this sort of story before. In smaller cities it is the subject of discussion. People will say that when Mr. so and so left, after 12 years, the services would not even move his wife and children home.

No other branch of the civil service, to my knowledge, functions like this. At one time there may have been a good reason for the regulation, but surely there cannot be a good reason now. There are many regulations like that. If the minister hopes to get new recruits into the armed services, then he had better look at these regulations to try to get rid of them. They do not help morale in the armed services, nor do they encourage recruiting when there is such a need for it.

I do not wish to take any longer on this subject, or to repeat what others have said. But I do think it is important that we get people back into the armed services. If they are given a greater sense of security for the future and some hope for advancement, apart

from raising pay scales and giving bonuses, this would be well worth while. A great deal can be done in this regard by an assurance from and somewhat more concrete acts, by this minister.

The Deputy Chairman: Shall that item carry?

Mr. Clancy: Mr. Chairman, my form of address tonight is more in the way of questions than expounding policy for our services.

I have always been curious why the R.C.A.F. took on a tactical role. I think if you read your service journals and your staff college journals you will find that that is murder, unless you have the manpower and machines to follow it up—unless we are going to start the war, and I do not think we are.

Let no one tell me that if any enemy is going to start a war he will not know how many machines there are, where all the men are on leave, and so on. If we are going to spend money, then let us spend our money on things we can do best.

As far as aircraft are concerned, I could not express an honest opinion, because first of all it was decided that they were to have weapons with nuclear warheads. Then that policy was modified, and modified, and we have not been apprised.

I want to bring up another point. Day after day on radio and television we are hearing about trained skilled men, and that we need these skilled men. That is right. I have been to some apprenticeship classes. I see no reason why we do not take these boys into the forces, give them training, and let them go out to industry. They are always in the reserve if we need them. We can always call them back, and they will be better technicians. Here we are running expensive and beautifully equipped establishments, and we are not making use of them. To me that is rather silly.

If you take a boy with a grade 10 education, keep him in the forces for two or three years, and on his release allow him to go to industry, he is still of value to the armed forces because he will be in the armed forces reserve. Moreover, that boy will become a better man for his training, because nothing is worse than making work. A skilled man hates to sit around to make a job for himself.

I suggest that we look into this, and perhaps this department and other departments can get together. That way we shall train skilled men. The country has the training facilities, and could build up a reserve.

That is all I have to say, Mr. Chairman.

• (8:20 p.m.)

Mr. Webb: Mr. Chairman, the remarks I have tonight will be very brief. Many of the subjects, including procurement of defence vehicles, have been mentioned by many members this evening. I wish to enter this debate because I have had some personal contact with members of the armed forces. My first remarks must be directed to the minister who, outside the House of Commons, is a very amiable person—but inside the House of Commons and in his department he has become almost a dictator. I would say to him that he reminds one of a young boy who is trying to impress the Canadian people, with the help of the press, that he has grown up.

In this debate the minister is trying to convince the Canadian people that everything he is doing is for their welfare. I say, Mr. Chairman, that this is not true. It is a camouflage, it is a myth. The minister has only one thing in his mind, and that is to become leader of the Liberal party.

Some hon. Members: Hear, hear.

Mr. Webb: I am very happy to know that he has three people backing him up on the other side. This is the minister's program. He has no thought for the armed services. He has no thought for the standard of our defence policy.

In the past I am sure all Canadians have been very proud of our defence policy, a policy designed by such people as Mr. Pearkes and my hon. friend from Winnipeg South Centre. This was the policy which, I am sure, all Canadians wanted to see—one which they thought of as being a true Canadian policy.

I should like to say a word or two, now, about the mood of the services today. In the past perhaps many governments have shown a lack of enthusiasm about defence problems. This reflects the feelings of a nation which has a natural distaste for war. However, the fact that we have been living on the edge of war must be faced. We have obligations to our allies. To allocate vast sums of money to defence is not enough; the money must be well spent.

The most important thing is that there should be a high state of morale in our armed services. The services must have confidence in the ultimate authority, that is, the government. If loyalty is to be expected from the services, this essential attribute must be

reciprocated by their supreme authority. This, so the serviceman feels, is not the case today. The government is handicapped by a lack of advice from those with recent military qualifications. As evidence of this, it is enough to read through the minutes of the parliamentary committee on defence. The present Minister of National Defence has never heard a gun fired in anger, shrewd and ruthless though he may be.

Total integration or unification of the armed forces, long a Liberal policy, after being dabbled with half-heartedly for years was implemented precipitously in 1963. The confusion and muddle behind the scenes has been and remains devastating. Very little has become public. Morale in the navy was poor at the time. Morale in all three services is the worst in years. New weapons may have been acquired to advantage but the loss of skilled personnel at all levels, not so much by forced attrition as by voluntary resignations and refusals to re-engage, is to be deplored. It must be remarked that forced attrition was carried out with such unnecessary abruptness as to cause many individual injustices, this in turn reacting on the morale of those remaining.

It should not be forgotten that the present minister has brought about many real reforms in the selection of weapons and the reduction of wasted time in redundant and unproductive staffs and excessive ceremonial. He has also ensured a measure of support to the Liberal regime by a generous pay increase last spring for all ranks. After some criticism in Halifax he bought a proportion of the naval vote by granting all sea-going personnel an allowance of $15 a month. The entitlement may be deserved but the hon. gentleman's opportunism is highly questionable. Political comment should follow such action.

One example of the glaring weakness of the unification plan is that it involves three separate professions operating in three separate elements, land, sea and air. True, they overlap in places but common sense finds those answers. As a comparison, it would be more practical to integrate doctors, veterinary surgeons, dentists and pharmacists. However, the result would benefit neither the public nor the standards of those professions. On the other hand, integration of the unarmed services where they are, in common purpose, a profession in themselves does offer certain advantages. Again, common sense provides the key. The dental corps has always looked after the three services.

[Mr. Webb.]

In the beginning there was much publicity to the effect that the present Minister of National Defence had made Canada the first nation to overcome the entrenched interests of the services in bringing about unification. This was, of course, nonsense. Several countries had looked into this proposition carefully and rejected it as being impracticable. For the last few months there has been a steady backtracking from this policy in the press without comment from any of the political parties. The minister is in a weak position but the public is not yet aware of this.

In our party's platform, we have advocated close co-ordination of the armed forces, together with a rationalisation of administration, our defence policy and our commitments under it. In order to do this we might set up a royal commission composed of the best brains in the country—including for example, Mr. Donald Gordon, General Guy Simonds, Senator McCutcheon and my hon. friend from Winnipeg South Centre. Leaving policy and administration as well as the re-organization of so large a commitment to one insufficiently experienced man, the present Minister of National Defence, has proved a profound and costly mistake.

A modernization of the whole system of personnel administration is similarly desirable. Let us take a new look at careers and individual opportunity—a strong requirement in this technical and electronic age. Better chances must be provided for the enlisted man with the energy, ambition and ability to achieve greater responsibilities. The wider selection would be bound to ensure for the future higher standards of leadership and administration as well as to extend further the democratic principles that the enlisted man is there to defend.

• (8:30 p.m.)

We must have painstaking studies to find the means to lessen the cynical mood among those serving the nation. Defence must be a profession of dedication inspired by a love of this country where now, more than ever, selfish opportunism grows. Any loyalty that is primarily to the individual service or branch rather than the nation weakens the purpose. Only good federal government can build these qualities.

There should be a greater national identity for the Canadian armed forces. The commission already suggested should, in the course of such a study, question members of the forces, active and retired, as to the means

and their wants. This should mean as much to the nation as to the serviceman.

An important area of neglect covers fringe benefits, not to soften the hardiness essential in a fighting man, but those such as other nations provide in housing conditions, medical benefits for dependents, and re-employment on termination of service.

Steps should be taken to ensure the lessening of the major and minor anxieties of those overseas, concerning their dependents. Any serviceman deserves this. Neither should separation cause financial penalties. Such items, and others, point to a need for improved machinery so that the lower ranks can voice their dissatisfactions, outside those of military efficiency, without being penalized as troublemakers. It must be remembered they are the only large group of individuals who lack all means of collective representation in our modern society.

Canadian servicemen have always welcomed their Minister of National Defence overseas or in Canada. We were always proud whenever our minister would visit us. As Canadians we hoped and trusted that all would be well. But today, when visiting in the Trenton area and many other parts of Canada, our minister is not hailed as the Minister of National Defence; he is named "Mr. Termite" of National Defence.

Mr. Hellyer: Mr. Chairman, on assuming the portfolio of Minister of National Defence it was tempting indeed, to follow the easy route; to be a rubber stamp minister, going along unquestioningly with the tired old pattern of defence in this country.

This would have meant pouring more of the taxpayers' money into purchasing additional follow-on nuclear bombers; to continue to play the numbers game by pouring countless dollars into creaking 20 year old world war II ships that contributed no real operational capability to western defence and, worse still, could contribute little or nothing if any sort of war broke out; to permit the overwhelming proportion of the Canadian army to be equipped only to training scales; to continue with inadequate sea and air transport; and to continue with inadequate modern equipment particularly for tactical mobility.

The opposition says that we have a lot of second hand questionable equipment in our forces. I would remind hon. members I did not buy the nuclear bombing Starfighters; I inherited them. I did not buy the atomic Honest John rockets; I inherited them. I did not buy the famous Bomarc missiles; I inherited them. I did not buy the Voodoo anti-bomber interceptors; I inherited them. In fact, I inherited the whole conglomerative mess that had built up through years of apathy through years of ministerial "rubber stamping"; through years of lip service to civilian control; through years of failure to analyse what a country like Canada really needs in the field of defence—needs based on the realities of today and the probabilities of tomorrow, and not just the traditions of the past.

What was the policy of three years ago? The strike role had been adopted for the air division in Europe. Hundreds of millions of dollars had been spent on equipment and training, but there were no atomic weapons available and there were no plans to rectify the situation.

The navy was sailing a fleet which included a large number of obsolete second world war frigates. Commodore Plomer described them pretty well in his magazine article. They were costly to operate and to refit, but there were no plans to take them out of service. The capability of the air transport fleet to lift fighting units was hopelessly inadequate. The C-119's, the logistic workhorse of the time, were virtually worn out and maintenance costs were skyrocketing. There were no plans to do anything about it.

The brigade group in Europe had no armoured personnel carriers to give protection to the infantry. It was one of the best brigade groups in Europe—probably the best. Yet it was one of the only ones in the front line without armoured personnel protection. The brigade had to go on exercises in open trucks and, worse still, would have had to go into battle in that manner in the event an emergency developed.

Some hon. Members: Shame.

Mr. Hellyer: Because of delays and procrastination the Bobcat could not have been brought into service in time to be a realistic solution. The balance of the Canadian Army in Canada, three quarters of the whole army, was not equipped for war. It had training scales only.

Hon. gentlemen might be interested to know that for years mortar batteries in Canada were limited in their regular training because of ammunition restrictions. The committee might also be interested to know that winter clothing was scaled for issue only to one

company group per battalion, so that to send a battalion on winter training it had to borrow from other units.

The government of that time had no plans to change this shortsighted policy. And in the face of all this, hon. gentlemen opposite have the temerity to suggest that all that was needed in 1963 was another rubber stamp minister. I should hope not. The associate minister and I made decisions. We sought and obtained government approval for a sensible "new guard" defence policy for Canada, one which reflects the real world of today and tomorrow. And then we set out to implement the policy.

The new philosophy, put simply, is that Canada can make its greatest contribution to collective defence and world order by developing well equipped flexible, conventional forces, and providing the strategic mobility to move them quickly to meet emergencies anywhere in the world.

Mr. Nielsen: That Bill Lee is quite a writer.

Mr. Hellyer: That Bill Lee is quite a writer, and I can tell hon. gentlemen opposite they would do better to get some of their advice from him than some of the people they take it from. This new philosophy is one of emphasis and changing role. It does not preclude the fulfilment of those obligations previously undertaken and the utilization of the equipment purchased at staggering costs by the former government for those tasks. It does mean a shifting emphasis and a greatly increased capacity in an area where a Canadian contribution is a real addition.

I would like now to deal with some of the specific points included in the buckshot attack from the opposition benches.

Mr. Churchill: It got home, didn't it?

Mr. Macdonald (Rosedale): Pea shooter.

Mr. Hellyer: I guess pea shooter would be more appropriate, and popgun would be even better.

• (8:40 p.m.)

My statement that the R.C.N. anti-submarine capability is now the greatest in peacetime history was challenged. The challenge was based on the suggestion that because the fleet is smaller it is less effective and that the substitution of four destroyer escort helicopters—DDH's—and two support ships for eight general purpose frigates in the building program would be a further loss.

It is simply not in accordance with the facts to suggest that it seriously degrades our operational ASW capability to pay off or lay up a number of over age world war II ships. The new DDH's and converted destroyer escorts have an ASW capability several times greater than the world war II ships. New techniques recently developed have greatly enhanced the anti-submarine surveillance capability. I am not able to give details to this committee but I will be happy to brief the Standing Committee on Defence. Information will be made available which will convince anyone who can be convinced by facts that my claim in respect to the navy's anti-submarine capability is incontrovertible.

The fact that the four DDH's in the shipbuilding program will carry heavy helicopters which the general purpose frigates were not designed to carry, will increase their anti-submarine capability greatly. The four DDH's, together with the two support ships will provide the fleet with several times the on-station ASW capability that the eight general purpose frigates would have provided, and at considerably less cost. Both in absolute terms, then, and on the basis of cost-effectiveness the paying off of world war II frigates and the substitution of the four DDH's and two support ships for eight frigates were good decisions.

The question of minesweepers was raised by the senior member for Halifax. This subject was dealt with by the former associate minister on January 8, 1964 when he said that studies of our stragegic plans indicate that minesweeping is not considered to be a high priority task in relation to antisubmarine warfare. This same assessment still prevails. The probability of a conflict in which a potential enemy would mine Canadian coastal waters is extremely remote. Certainly a potential enemy would have to weigh the consequences of any such overt action and it seems very unlikely that he would risk all-out war through such an act.

Studies are continuing however in respect of the relative priority of minesweeping and also keeping abreast of technological developments in this area. New and more modern mines have been developed which would require extensive modifications of our existing minesweepers if they were to be successful at all in carrying out these tasks. In addition, new methods of sweeping are being developed.

At this time, minesweeping continues to be a very low priority operation. Consequently

we have decided to declare four of our oldest minesweepers surplus, and the six remaining ships have been put in a state of preservation until disposition studies have been completed.

The hon. member for Calgary North inferred that we were wild-eyed innovators to substitute gas turbine engines for steam engines in the four DDH's in the shipbuilding program. He must have been talking to an ancient mariner. Gas turbines have built up a reputation for reliability in aircraft application which is not surpassed by any other form of propulsion in the world. Canadians trust their lives to these engines every day.

Reliability is not an accident. It is the result of extensive testing and development. This work can only be financed on the logical expectation of an engine builder that large numbers of engines will be sold. This expectation leads to production line techniques and extremely high levels of quality control. The quantities of engines manufactured leads to lower costs for a higher quality of end product.

The navies of the world are now starting to capitalize on all the work that has gone into the testing and development of these engines. The Royal Navy started in this field in 1947. Since that time they have been followed by the West German, the Danish, the Italian and the Russian navies. In the United States, the coast guard has been the pioneering service. So far a total of 57 warships are built, or in the course of construction, and in addition a 48-ship building program is in progress for the U.S. coast guard.

All of the earlier propulsion plants combined gas turbines with some other form of prime mover, for example, steam or diesel. However, studies of the operations of these ships have shown that the operators prefer to use the gas turbine plant rather than another prime mover in the ship.

As a result, the tendency is toward the use of all gas turbine power plants. The U.S. Navy is in the preliminary stages of discussing with industry the design and construction of some 18 to 24 fast deployment logistics ships. The Royal Navy announced earlier this month that a Blackwood class frigate, HMS *Exmouth*, would be fitted with all gas turbine machinery to complete by the summer of 1968.

Gas turbine marine propulsion offers a number of operational and economic advantages. A brief list of the more important of these include lower over-all weight, greater endurance, markedly higher power in a given space and hence greater speed, reduction in the number of operators and maintainers and lower maintenance costs. A detailed study of all facets of gas turbine engines has demonstrated that for the Royal Canadian Navy the gas turbine propulsion plant is best for installation in its helicoper carrying destroyer program.

In this context, it might be noted that by comparison with a steam plant, an increase of over 60 per cent in horsepower will be possible from the gas turbine engines without a corresponding increase in cost or size of the vessel.

To this end, the Department of Defence Production, on behalf of the Department of National Defence, has instructed two leading aircraft firms to proceed with the design of the DDH propulsion plant on a competitive basis. The results of this competition will be used to select the propulsion equipment to be purchased for the DDH at a firm fixed price, with guarantees of performance, and a fixed delivery schedule. This has never been accomplished before in Canada for this type of naval vessel.

The hon. member for Calgary North raised one or two points in respect of organization. He made reference to the change in organization at Canadian forces headquarters. It is true that since the special committee on defence was briefed on May 26, 1964, that the positions of vice chief of defence staff and chief of operational readiness have been combined, and the name assistant chief of defence staff has been changed to deputy chief, plans, with no change in function. This combination was contemplated from the outset and its implementation ends an interim situation which was required for the transition.

The second point was that the lines of communication from commands are more complicated than previously. This is not so. The integrated command structure, providing for command of the defence forces to be centralized under a single chief of the defence staff who exercises control through functional commanders, meets the aim of integration of reducing overhead and increasing efficiency. It reduces the over-all number of commands and places each functional responsibility under a single commander.

Commanders are responsible to the chief of the defence staff for the operational and support service functions. Provision is made for commanders to communicate directly with each other on all matters of mutual interest and concern.

Lines of communication to Canadian forces headquarters are the same as before, that is, through the defence secretariat to the appropriate branch. Because commanders are able to concentrate on their prime responsibility the performance of objectives should be enhanced.

A number of questions have been raised about the level of defence expenditures. The hon. member for Calgary North said that defence expenditures had not in fact been reduced. In the fiscal year 1963-64, the first year in which I took over the defence program and when defence expenditures were based on the program which had been worked out when the hon. Member for Calgary North was in office, the expenditures amounted to $1,607,971,000, excluding special payments into the pension account.

In the following year 1964-65 I was able to reduce expenditures to $1,522 million and the estimate which you have before you for 1965-66 is $1,550 million. The reduction from the 1963-64 level of actual expenditures in 1964-65 was therefore $85 million and the reduction in 1965-66 from the 1963-64 figure, based on the estimates before you, is $57,900,000.

This is a total saving in two years from 1963-64 level of $143,700,000. This has been achieved notwithstanding civil and military salary increases costing at least $80 million during these two years, and increased cost of equipment due to rising prices. For a fair comparison, the increased costs will have been absorbed in present expenditure levels. The real saving therefore actually exceeds $100 million a year.

• (8:50 p.m.)

The hon. member for Sherbrooke suggested that defence expenditures should be further reduced. He may not be aware that the defence expenditure as a percentage of the total federal budget has declined from 24 per cent in 1954 to a forecast 18 per cent for 1966-67. Few if any other countries have reduced defence expenditures proportionately to this extent. Canada as a sovereign nation makes a contribution to world order through a number of alliances; the North Atlantic Treaty Organization, our partnership with the United States in continental defence and through our adherence to the United Nations charter. Canadians are a proud people with proud traditions and want to do their share to assist in preserving some semblance of order in a troubled world. If we are to continue to perform the tasks we have undertaken we must have trained men and women and good equipment. It would not be possible to reduce defence expenditures further at this time without substantially reducing our commitments to the alliances I have mentioned.

The hon. gentleman also suggested that the university naval training division at Sherbrooke should be reinstated. I am sure he will appreciate that an increase in commitments is not compatible with a reduction in expenditures. I took notice of his suggestion with regard to providing additional opportunities for French speaking recruits. I should like to reassure him that a number of steps have been taken and a number more are contemplated to provide greater opportunities throughout the whole service for men and women whose mother tongue is French.

In so far as the balance of our expenditures between cost and maintenance on the one hand and capital on the other hand is concerned, I must admit that I had expected to arrest the downward trend on capital account during the current fiscal year. No member of the committee deplores more than I do that this has not been done. The money was available but it did not get spent. I will not go into the reasons for this but I must assume full responsibility. I can assure hon. members, however, that we will stop the downward trend that began in 1954 and next year the percentage on capital account will be substantially up, notwithstanding rising personnel costs. This can be seen if we consult the blue book for the next year.

Now that the long term trend has been reversed every effort will be made to increase the proportion of the defence budget spent on equipment during the next few years to the point where it reaches an acceptable level. The men and women of the Canadian armed forces need the right equipment for their assigned roles, and I mean to see that they get it.

Mr. Groos: Hear, hear.

Mr. Hellyer: Thank you. The hon. member for Calgary North raised a question about a shortage of pilots and alleged that the shortage was related to early retirement of aircrew in 1964. Some facts concerning the 500 might be helpful in clearing up the confusion to which the hon. member referred. A surplus of aircrew had been built up at the time of the Berlin crisis in 1961, even though there was no demonstrated requirement at the time, at a total cost to the Canadian taxpayers of several hundreds of millions of dollars.

The absence of a real requirement was soon recognized by the air force but the matter was not taken in hand until 1964, when a recommendation was made for the release of 500 aircrew subject to special benefits being available. Of the 500 aircrew released 284 were pilots, 89 of whom were short service and coming to the end of their contracts in any case. Of the remaining 195, 31 were already over age and the remainder, 164, were all within two years of retirement, due to age. In the normal course almost all would now be out of the service or on retirement leave.

It should be appreciated that forecasting pilot requirements in the civilian economy was difficult if not impossible at the time. Nobody foresaw the extent of the world shortage that now exists. The U.S. Federal Aviation Authority was 100 per cent wrong on the short side last year when it forecast the need for civilian pilots.

At the same time I want to deny that there is a serious shortage of pilots in the R.C.A.F. at this moment. As of December 31 our pilot strength was 2,325. The current R.C.A.F. establishment calls for 1,720 positions for which it is mandatory to have qualified pilots. In addition there are a number of staff positions in which it is considered desirable to have pilot experience. Nevertheless it must be recognized that the number of pilots leaving the service is increasing and if allowed to continue unchecked could create a serious shortage.

I might advise the hon. member for Saskatoon that discussions have been held with the pilots and measures are being recommended which we hope will be sufficiently attractive to keep an adequate number of highly qualified pilots in the service. One other point he raised is in respect of the requirement of pilots to work 70 hours a week in the air division in Europe. Their estimated work week including standing alert is estimated at 68 hours a week. This is very demanding indeed. While standing alert, however, they have a considerable amount of time which can be used in personal pursuits within the limitations of the alert, and many young airmen are taking advantage of the opportunity to further their studies and increase their academic standing in order to be better qualified, in the broad sense, for executive and other positions which might be opened up to them in future years.

It has also been alleged that there has been a serious decline in recruiting. Actually, the number of recruits taken into the service in 1965 was only about 5 per cent lower than the previous year. If one takes into consideration the booming economy, virtually no unemployment, the high salaries in civilian life for people able to absorb technical training, as do our recruits, plus the fact that our young men and women stay in school much longer, this small change should not be considered inordinate. Indeed many businesses requiring large numbers of personnel experienced even greater difficulty in 1965.

Reference was made to the shortage of naval personnel. It is true that more men are required, particularly in some technical trades. One of the basic problems is very directly related to former practices, however. It used to be the custom to take skilled personnel from one ship's company immediately or soon after returning to port and send them back to sea as part of another ship's company in order to have sufficient trained personnel to keep the ships in operation. The effect of this overwork and high sea-to-shore ratio for skilled and technical trades was a serious decline in morale.

To overcome this problem a new cyclic system of manning the ships was put into effect. It provides amongst other things for a better shore-to-sea time ratio for personnel. This improvement in working conditions has been well reecived and naval re-engagement rates, which were already higher in Canada than in the navies of our major NATO allies, are improving. The other side of the coin, however, is that more skilled tradesmen are required to man the same number of ships. Improved working conditions and the relaxation by the navy of many of its ancient and restrictive rules governing other ranks should assist in overcoming this problem in time. It is not a problem that can be quickly overcome due to the long training cycle and the extraordinary competition for manpower at all levels.

A large part of the discussion during consideration of these estimates has been in respect of our choice of aeroplane for the tactical ground support role. Most of the criticism has been irrelevant or inaccurate. We feel it is important for the R.C.A.F. to get into the ground support role, one which they performed admirably in the second world war but which they have not been directly involved in for some time.

The CF-5 has many advantages which particularly suit the Canadian requirement. It is light, relatively unsophisticated, relatively

inexpensive, easy to maintain, dual-engined and therefore very safe, and has a supersonic dash capability which gives it a self-protection within its own flight environment. A reasonable production-sharing arrangement is also available in respect of this aeroplane because of the large numbers of the basic aeroplane being produced for use in a number of countries around the world. The payload of the CF-5 is not a matter of concern; it can carry 3,000 pounds of bombs, and experience in Viet Nam has proved that with the high number of sorties a tremendous weight of stores can be delivered on target.

• (9:00 p.m.)

The range of the CF-5 is adequate for the kind of task we have in mind for it. In so far as ferry range is concerned, trans-oceanic ferrying is quite practical with aerial refuelling. The allegation that the C-130 is not capable of refuelling the CF-5 is, I am informed, entirely false. A version of the C-130B was developed by the United States forces as an aerial refuelling aircraft and is in service with the United States marine corps today. The refuelling equipment carried in this aircraft can readily be installed or removed as required so that when the aircraft is not being used as a tanker it may revert to its primary role of transport aircraft. Preliminary flight evaluation of the CF-5 against the C-130 aircraft has demonstrated the feasibility of employing this aircraft for the Canadian forces as an aerial filling station. The R.C.A.F. is procuring in-flight refuelling equipment for the CF-5 similar to that installed on the United States aircraft that were flown trans-Pacific to Viet Nam.

Incidentally, the United States Air Force has offered to make a reciprocal arrangement with us similar to that which we have for the air transport fleet, whereby they would refuel our planes being deployed in various parts of the world and we would make our capability available to them in our area.

Another criticism that has been made of the CF-5 is the ground roll, that is the length of runway required for take-off with a full load. Unfortunately, and this seems often to be the case, the figures which have been used publicly are those for the basic F-5A's. The Canadian CF-5, with its more powerful engine, will require 20 per cent less runway for take-off. The length of runway required for the Canadian CF-5 with a full load is less than is required for the CF-104 in use by our air division in Europe, and also less than the DC-8 under similar loading conditions. This is not really a very good comparison, however.

[Mr. Hellyer.]

Mr. Churchill: Well, give us the figures now on the runways that would be required.

Mr. Hellyer: I will be pleased to do that before a committee where you can get all the details of the standards, etc. It has often been suggested that one should not try to compare apples and oranges, but in this case comparing the CF-5 with the DC-8 is like comparing an apple with a pumpkin.

Another allegation has been the suggestion that the CF-5 requires a particularly level runway when carrying a bomb load. I am advised that this, too, is patently false. Although the CF-5 would normally be employed on conventional runways, flight trials have demonstrated that this aircraft is capable of being operated off sod fields and that the armament selected for the Canadian forces provided ample clearance between the lowest bomb and the field surface when operating under these conditions. As a matter of fact, Mr. Chairman, experience with the F-5 in Viet Nam indicated that the Canadian CF-5 will be absolutely first class in the ground support role.

An interim report of the so-called Skoshi Tiger tests of the F-5A in Viet Nam has been received. While no final conclusions have been drawn as to its over-all combat effectiveness a considerable number of sorties have now been flown, beginning with the first day of delivery in Viet Nam. The experience so far enables the following observations to be made:

1. A high sortie rate per aircraft per day has been achieved.

2. An extremely low maintenance rate expressed in terms of man hours per flight hour has also been achieved.

3. Despite an initial problem of ingestion of foreign objects in the air inlet duct they have not had a complete engine failure in flight. I might say parenthetically that the cause of this damage was primarily the ammunition provided, and other aircraft using the same ammunition had similar problems.

4. The F-5A has performed to all model specifications.

5. It is proven to have outstanding accuracy in stability as an ordnance delivery vehicle.

6. Pilots report that they like its simplicity of operation and control responsiveness in all conditions of flight and that it is exceptionally easy to fly during a refuelling hook-up.

7. It is an uncomplicated, easy to maintain aircraft.

As might be expected, there have also been some deficiencies in the F-5A that will need correction. Members of the committee will be pleased to know that in every case the necessary corrections had been anticipated by the R.C.A.F. staffs and that these modifications have all been included in the CF-5 program from the outset. A final report on the Skoshi Tiger test program is due in April or May and I will be pleased to see that full information is made available to the members of the Standing Committee on Defence.

There has been a request for a review, Mr. Chairman, of the progress toward defining NATO force goals for the years ahead. You may recall that a decision was taken in the council of ministers held in Ottawa in May, 1963, to commence a study of strategy, force goals, and the use of economic resources. A study has been undertaken by the council in permanent session, constituted as a defence planning committee and working in co-operation with the major NATO military commanders.

In considering the question of strategy a theoretical discussion arose which indicated a rather sharp divergence of views. When these views were presented to the council of ministers in December, 1964, it seemed apparent to me that the divergence of opinion related more to the theoretical discussion than the real contingencies with which the alliance might be faced. With this thought in mind, I suggested holding a defence ministers meeting, with the object of examining the real situation in the hope that the wide areas of divergence would come into focus and the difference, if they existed, would prove to be largely irrelevant.

The meeting of defence ministers in May, 1965 proved more productive than had been hoped for. The informality of the restricted session assisted ministers in reaching a consensus and taking the necessary action to provide the political direction for the planning committee to continue its studies. It was the opinion of the ministers that force goals should not be unrealistic in calling for increases in manpower and expenditures obviously and demonstrably well beyond any possible implementation by member nations.

The council of ministers reviewed the progress of defence planning at the December, 1965 meeting. At this time I again urged that our goals should be realistic and attainable. I furthermore proposed that NATO long range planning be realistically based on what each member country intends and can afford to spend, bearing in mind political, financial and economic factors.

You will recall on Thursday last, when introducing the Department of National Defence estimates, I spoke of the newly introduced integrated defence program and the many benefits that are accruing from this procedure of handling our defence program. You will therefore appreciate that I fully supported the United States proposal for a NATO five year rolling plan which would be adjusted annually to equate country defence plans with NATO military requirements in order to maintain a viable force which would operate under the direction of the major NATO military commanders.

The new NATO five year plan would contain an extension of these aspects of our five year program which are of direct concern to NATO. This NATO plan will consist of an acknowledged commitment by countries for a period of one year followed by a projection without commitment for a further four years. This plan would be subject to review and amendment every year, thereby containing more realistic data upon which the NATO military authorities can base the composition of their allocated forces.

I reiterate my earlier statement in this debate that our current studies concerning the reorganization of our forces will go a long way toward assisting the NATO military commanders with their tasks. In making future commitments we will keep in mind the realities of the present and also our desire to accept those future roles which will enable us to make the greatest real contribution to the peace and security of the world. Obviously, the reservations expressed by General de Gaulle will have to be carefully studied.

Probably the most serious allegation made in the debate was raised by the hon. member for Calgary North, and subsequently by a number of other hon. members, and it was the suggestion that service morale is at its lowest point in history. I disagree with that and I am certain that the vast majority of the armed forces feel the same way.

They remember only too well what they refer to as "the darkest days in Canadian defence", in 1961 and 1962 when that hon. member was Minister of National Defence and when his government's defence policy was known only for its procrastination, indecision, ineptness and downright stupidity. The nuclear issue alone, and the wrangling

and wheeler-dealing in that dying cabinet because of it, made Canada the laughingstock of NATO and brought shame instead of honour to the Canadian serviceman. These were truly the days of low morale in the Canadian armed forces, as the hon. member well knows. There was no rationale to defence policy, and the administrative and upkeep expenses of the force had been allowed to increase with complete disregard for the vital need of budgeting for new vehicles, aircraft and ships. The whole defence department was crying out for a new policy and a new lease on life for our service-men—the unwitting pawns of the indecision and mismanagement of my hon. friend's defence policy—to their rightful place of honour in our society.

• (9:10 p.m.)

Morale is not bad in the forces. The associate minister and myself have visited all of our major bases and I can make that statement with force and truth before this house. It is not one based on wild rumours and haphazard chats in a handful of ridings, but on the opinion of professional men who know what they are talking about.

Naturally there is concern, and some worry among our highly skilled tradesmen in particular, because wages in industry in Canada have never been higher and the shortage of skilled labour has never been greater in our history. Also our personnel are the best, the cream of the crop. They must pass tough recruiting and aptitude tests before they can enlist. Their basic training is excellent and they receive valuable experience on the most modern equipment in their respective fields during their service. They also, by selection, are the healthiest people in the nation, so it is no wonder industry is beckoning and welcoming them. Therefore it is only natural that they are concerned, as all other red-blooded men with superior qualifications would be, whether they should not take advantage of the present high demand for their skills. This, as I have always said, is the prime cause of their worry.

By the same token, we are doing what we can, as any sensible employer with a large investment in his employees would, to counteract this situation and to keep our people convinced of the long-term advantages of staying in the service. This is simply good business as well as being in the best interests both of the men and women in the armed forces and of Canada as a whole. We are not sitting around lamenting about the situation; we are trying to do something tangible about it.

Several senior officers from Canadian forces headquarters and the area commands have had appropriate programs under way for months, along with my own staff and that of the associate minister.

The re-engagement bonus which my colleague announced last Friday in this house is one step in the process, and of course there are others under review to constantly improve and enhance the terms and conditions of service. With a voluntary force the conditions of service must not only be competitive; they must be a little better than average to help compensate for the extra expenses generated by the servicemen's necessarily nomadic life.

But it is nonsense to blame this honest soul searching by our service personnel on integration, and for purely political advantage to deduce that low morale is the result. Our military personnel had an opportunity to express themselves last November respecting the management of their affairs, and I would hardly call the result of the service vote one of no confidence in our defence policy. I must say at this point that I agree with my hon. friends opposite that the method of reporting should be changed so that the service vote is not reported separately. I will personally do everything within my power to see that that is brought about.

I look upon it, too, as undeniable evidence that our armed forces have good, long memories. They expressed quite clearly that they will not forget in a hurry the real days of low morale—the "dark days" of defence in the early sixties.

In conclusion, Mr. Chairman, I would like to say that in my opinion the philosophy of mobile forces as set out in the White Paper is sound for Canada at this time and for the years immediately ahead. The implementation of the policy in the White Paper is proceeding with dispatch. The integration of the armed forces will assist in the implementation of those policies. It will give Canada the most effective and responsive force of its size in the world and a clear margin of superiority for the money being spent. Our integration plans are the most exciting military reorganization going on anywhere in the free world at the present time, one which is being watched by all and admired by many. I have no doubt that it will become a pattern for the reorganization of military forces in other countries in the years ahead, and that we in Canada will

be justifiably proud that we have been first in recognizing the significance of the technological age in which we live and its impact on military organization.

Mr. Churchill: Mr. Chairman, we have just heard the most bombastic speech by a Minister of National Defence ever uttered in this chamber, I think, since the days of Sir Sam Hughes.

Mr. Hellyer: You will remember that.

Mr. Churchill: I did not hear that interruption from the other side; I am willing to listen if you wish to repeat it.

When the minister opened his 45-minute speech tonight he said that he had been subjected to buckshot attacks on him during the course of this debate. Well, it certainly found its mark. He has been irritated by those pellets, as he showed tonight when he was stirred into activity. All day Friday when we were discussing defence policy he sat in his place smug, complacent, without any worry at all. Then over the week end the radio, television and press reports began to come in and he started to get worried.

When the attack continued today and the ineffectiveness of this minister was shown up by everyone who spoke on this side of the house, he decided to get his speech writers busy. Instead of giving us a speech earlier today he waited until 8.30 tonight to make his defence, and a very poor defence it was indeed.

It seems to me—and I hope the minister learns a lesson from this—that had he on Thursday night of last week given us some of the particulars that he has been forced to give tonight, it would have been very helpful to the debate. Tonight he attempted to answer some questions. He left most of the questions unanswered, and when he did not have a satisfactory answer he declaimed with a very loud voice to the claque of admirers behind him and made attacks on the member for Calgary North, who for unavoidable reasons is not here tonight. I hope the hon. member for Calgary North will have an opportunity to reply to these unwarranted attacks upon him.

Then this bombastic minister told us in the early part of his speech that he was not a rubber stamp minister. I do not know what he thought of his colleague of former days, Mr. Claxton. I do not know what he thought of Mr. Campney.

Mr. Hellyer: They were good ministers.

Mr. Churchill: I do not think anyone would accuse General Pearkes of being a rubber stamp minister, and certainly not the hon. member for Calgary North. But this minister is not a rubber stamp minister: He is the boss. I suggest that now he has a chief of staff who is a rubber stamp and does everything that this minister says.

What I objected to in 1963 and 1964 was that he did not continue the council that would advise the minister, the heads of the navy, the army and the air force, plus the chief of staff, about military matters. He abolished that council and made it just advisory. He appointed a supremo, a chief of staff to run things. Now he is running everything himself. He is not a rubber stamp minister, but somebody in the department is now a rubber stamp, and it must be the chief of staff.

• (9:20 p.m.)

This is the conflict between two men that I said would happen, from experiences that they had in England many years ago. This wonder boy of national defence—

Some hon. Members: Oh, oh.

Mr. Churchill: —has gone back.

Some hon. Members: Oh, oh.

Mr. Churchill: This wonder boy in the opinion of the Liberal party has gone back to a system thrown out 60 years ago in Great Britain. Talk about being up to date, nobody is further out of date than this particular minister.

Mr. Nielsen: And out of step.

Mr. Churchill: He is a bombastic individual and he will go on spreading messages that have little foundation to the Canadian people.

Mr. Nielsen: He talks a lot.

Mr. Churchill: He talks about other countries, and how they are admiring what he is doing. This is right from the horse's mouth. He is the one who has heard these other people on the subject. None of the rest of us has heard this from other countries. Where does this information come from? Why do they not tell us that we have the most marvelous minister that ever happened.

Our opinion is, on this side of the house, that we have the poorest Minister of National Defence that this country has ever seen. I think he is all bombast and no action. Tonight he did not answer the questions posed to him from this side of the house. What

about the boast that he was going to save a great deal of money and funnel it into buying what he calls hardware. He did not answer the question, when the member for Calgary North said that the percentage going into the supplies of military hardware was down to 12 per cent, the lowest figure yet. He did not have an answer for that. That was the boast he made three years ago, and he has not accomplished that objective.

Yet he has spread the propaganda across this country that that was what he was going to do. It is false propaganda. He did not touch on the question of atomic weapons, put to him by members on this side of the house, and particularly by members of the New Democratic party. He did not answer that. He has atomic weapons now, with hardware that he said the United States had thrown away or discarded years ago. He is keeping the CF-104, the aircraft with the air division in Europe. He is keeping the Honest John missile discharger, or rocket. He has retained the Voodoos, and he has kept the Bomarcs. Yet in 1960, as I recollect his statement, he said these were useless, discarded weapons. However, he has retained them.

There was a long period before he had any atomic weapons for the CF-104. He has not told us yet whether they are available now. He did not have any atomic weapons for the Voodoos in this country for two years. He has not told us whether the atomic missile is available for the Honest John.

Mr. Nielsen: They are negotiating.

Mr. Churchill: He has not said whether the Bomarcs are to be kept in their useless post or not, but he placed atomic weapons on Canadian soil. He and the Prime Minister for three solid years have misled the Canadian people, because the Prime Minister said that he would negotiate out of the atomic weapons—

Mr. Herridge: That is right.

Mr. Churchill: And he was supported by the Secretary of State for External Affairs, and the Minister of National Defence. These three ministers have misled the people of this country for three years.

Some hon. Members: Hear, hear.

Mr. Churchill: On Thursday or Friday when I asked the Prime Minister that question he said that it had been answered by the Minister of National Defence. I asked the Prime Minister if he had had success in fulfilling his promise of three years ago, and he said that question had been answered by the Minister of National Defence. In other words, the Prime Minister was saying to us and to the Canadian people that his promise to negotiate out of atomic weapons had been fulfilled.

It was a false statement. The Minister of National Defence in his speech had said that he had made atomic weapons available to those various weapon systems—

Mr. Nielsen: For political reasons.

Mr. Churchill: —and this is the type of false propaganda that has been spread across the country, for political reasons, as my friend suggests.

On the subject of morale the minister declaimed at great length. You know, we must put our complete faith in what this minister says, or he is offended.

Some hon. Members: Oh, oh.

Mr. Nielsen: The trained seals again, the old beavers.

Mr. Churchill: He is offended if we do not believe him. His feelings are hurt. He said, "You are shooting buckshot at me and it irritates my skin." And he gets up to declaim and says that the morale of the forces is very high. He made a false statement here, in the absence of the member for Calgary North, saying that the morale of the forces was at its lowest ebb in 1960 and 1961. It is at its lowest ebb today. That has been brought out by the facts and figures from this side of the house.

An hon. Member: Whom did they vote for?

Mr. Nielsen: Whom were they told to vote for?

Some hon. Members: Shame.

Mr. Nielsen: That is no shame, that is true.

Mr. Churchill: I would not mind having an investigation made with regard to the service vote in this country. It is rather strange that in 1958, when there was a landslide in favour of the Conservative party, 80 per cent of the service vote was still tagging along with the Grits. Talk about people being out of touch with what is going on with Canada—

Some hon. Members: Shame.

Some hon. Members: Withdraw.

Mr. Churchill: I withdraw nothing. Our servicemen do not get the full information as to what is going on in this country. This is

one of their complaints. They say they do not get the Canadian newspapers.

An hon. Member: They get them.

Mr. Churchill: That is a clear indication that they are not kept informed, generally, as to what is going on in this country. They say so themselves. I have met them overseas.

An hon. Member: What do you say about morale now? What are you talking about?

Mr. Churchill: On the subject of morale. The morale of the services is at its lowest ebb. This is what I got everywhere, across the country. This minister is responsible for it. He tries to explain away his failure in recruiting, and he said it was only 5 per cent below—I wonder, Mr. Chairman, if we could have a little order, or do I have to contend against remarks of hon. gentlemen sitting opposite.

The Deputy Chairman: Order, please. May I ask the hon. members who are making interruptions to reserve their opinions and interruptions. The hon. member for Winnipeg South Centre has the floor.

Mr. Churchill: Thank you. The minister says that recruiting is only 5 per cent below last year's figure, and he was explaining to us on Thursday, and through the press, that the competition from the economy was preventing recruitment.

• (9:30 p.m.)

The hon. member for Queens, speaking today on behalf of the Atlantic provinces, said the unemployment in that area would be sufficient to fill the gap in the armed services. So who is right? Are we to believe the minister—

Some hon. Members: Yes.

Mr. Churchill: —or the hon. member for Queens? I will take the word of the hon. member for Queens any day as against that of the minister.

Then again, the fact that the associate minister had to announce on Friday that bonuses would be paid to buy people back and attract them to re-enlist indicates in itself the complete failure of the policy of the minister of defence. This is attributable to low morale and his actions with regard to those in the armed services. He threw them out. What officer is there in the services today who is assured of continuity of service? He has no idea what this minister, this great Poobah intends to do, this minister who is in control of everything, who sets himself up to be a commander in chief. He says he is not a rubber stamp, but he has everyone else cowed into submission.

The men who are leaving the service cannot understand the indecision, the mix-up that prevails in national defence. They do not know where they are, and this is the substance of the complaints I have heard for the last two years.

An hon. Member: Remember June 1st.

Some hon. Members: Oh, oh.

Mr. Woolliams: On a point of order. Surely the hon. gentleman who now has the floor has the right to be heard tonight as against these people who are sitting in places where they do not normally sit and who feel they should yell and shout.

The Deputy Chairman: We are on the topic of national defence and there have been shouted remarks from both sides. I think this should cease. The hon. member for Winnipeg South Centre has the floor.

Mr. Churchill: A little noise now and again is all right, Mr. Chairman. But I see that the minister, fearful of his position, has assembled a claque around him tonight. They do not have the courage to get up and ask questions and present their case. They are doing it by noise and comment; but I do not mind that at all.

Now let us see what this bombastic minister has been talking about. In the course of his remarks he made a statement, and he keeps repeating it that the philosophy of the White Paper is the establishment of mobile forces. He speaks about the philosophy of mobilty as set out in the White Paper. He is creating in the mind of the public a feeling that there is a mobile force already in existence. Let us have a demonstration. Let him show us where this mobility is. For three years this minister has been in power. He has been talking about mobility for our armed forces as if this was something new. Well, 12 years ago hon. members will find these words:

> My hope is that the Canadian army will become the most effective fighting force available within the NATO countries, and that it will have the full equipment for modern conditions; that it will have the mobility that is required for modern warfare, and that it will have the trained staff that is required in order to utilize to its fullest effect artillery and armour, infantry and engineers and so on. Equipped with the best of weapons, equipped with track vehicles for cross-country purposes, equipped with protective troop carrying

vehicles for the infantry, and equipped with transport aeroplanes and helicopters, if those are found to be satisfactory for use in the field, equipped in this way, brought up to date, modernized, the Canadian army would be something of which we would be prouder than we are at the present time, although we are very proud of it.

That was my statement on May 20, 1954 as reported in *Hansard* at page 4931. I happened to be the person who used those words in the House of Commons—mobility, tracked vehicles, air supported, supply columns with track vehicles; and so on. Yet the minister now thinks he has conceived a new idea. He talks about the philosophy of mobility. I do not know of any idea which has a longer history than this question of mobility. And the minister has not yet achieved it. This is the philosophy, but what has he done? Our brigade in Europe just recently acquired the armoured personnel carriers which I have advocated for 15 years in this chamber. It is still not equipped with tracked supply vehicles; it is still not equipped with air support or air supply facilities. So it is not mobile. The minister pretends he suddenly came up with a brand new idea. His lack of experience shows, of course, in so much of what he says to us here.

As I have said, the minister has left unanswered more questions than he answered. I suggested to him in a question the other day that in order to have an effective fighting force now and in the future he should make sure that our senior officers and, if possible, our senior N.C.O's, should get some experience of what is going on elsewhere in the world. I suggested he should have observers from our forces in Viet Nam to study what is going on there. Had he taken this course we might have had a first hand report about the F-5 as used in South Viet Nam, and not a second, third or fifth hand report from the minister with regard to that plane. Why did we not have senior air force officers there to examine the effectiveness of this plane? Why did we not have senior army officers there to examine the effectiveness of the air cavalry division and the methods now being employed in that war which has been going on for a year with increasing intensity?

I am not suggesting that young Canadian soldiers be sent to South Viet Nam. I never used that expression. I was talking about younger officers and N.C.O's who within a few years are going to succeed the veterans of the second world war. As the minister said himself, second world war veterans are now getting on toward their late forties and fifties and will soon be retiring. The men who were 15, 16 and 17 in 1945 are now approaching the age of 38 and will soon be in their forties. They are inexperienced with regard to warfare and the way to get experience is by attaching observers to formations in areas where the struggle is going on.

[Mr. Churchill.]

I will use the minister's own expression. One has to be realistic about national defence. Much as we are doing in peace keeping and observer corps work, developing a kind of police force, this is not the primary purpose of our national defence forces, as the hon. member for Brandon-Souris pointed out the other night.

• (9:40 p.m.)

The primary purpose is to be effective in case of war, and you must have a high command that is effective in case of war. I pointed this out 12 years ago, dealing with the same subject:

If we do not train the senior officers, we face a serious situation in time of war. I stood in awe of senior officers for a large portion of my life; but with the passing of the years that awe has diminished very considerably . . . . It is essential for the high command, for divisional and corps commanders, to understand the use of all arms within the army. We had many experiences in the second world war of that, where people unfamiliar with armoured formations were not able to use them effectively. Repeatedly I told men under my command when we were engaged in exercises in England at which they grumbled: "Put up with it; do anything that you are told to do under these conditions because we are training the high command, and you may live a bit longer if the high command gets trained."

I take this very seriously indeed because I have seen enough of warfare to know that the high command can make mistakes. Of course, they are not the only ones who can make mistakes. Junior officers can also make mistakes, but the troops are in the hands of the high command. Let me just indicate what Lloyd George said about this during the first world war. I quote:

No amount of circumspection can prevent war leading to the death of multitudes of brave men, but now that generals are not partaking in the personal hazards of a fight, they ought to take greater personal risks in satisfying themselves as to the feasibility of their plans and as to whether the objectives they wish to attain are worth the sacrifice entailed, and whether there is no better way of achieving the same result at less cost of gallant lives.

That was based on experience. The quotation is from page 123 of a book called, "To Seize the Victory" by John Swettenham, covering the Canadian Corps in world war I. I commend it to every hon. member and I pay

my compliments to the author who has produced a very valuable work, one of great importance to anyone studying the art of warfare or concerned with the subject of national defence. That is what I was talking about the other night. It was on that subject I was questioning the minister.

With all his paper work, the minister's function is to provide an effective fighting force for this country, and that effective fighting force must be commanded by people who have knowledge of the conditions under which men have to fight.

Mr. Hellyer: Hear, hear.

Mr. Churchill: Otherwise thousands of lives may be endangered. I am not going to recount and stir up the embers of past discontent by mentioning things which happened in the second world war, which in my opinion should not have happened, and similarly things which happened in the first world war. But I do know that if the high command is not ignorant of conditions under which troops fight, then the lives of those troops are in less danger. But if they are ignorant of the conditions, then lives are wasted. That is why I am so concerned that this minister, who so boastfully talks about what he is doing, fails to see this particular aspect of the problem.

Where are we going to be in just a few years time? Of course we will have good men in the services. Canadians make good servicemen, but what about the high command, the senior officers and senior N.C.O.'s? Will they know how to lead their troops in time of difficulty? We have to guard against times of difficulty. We do not know what will happen in this world, whether we will remain at peace or be plunged into war. Let us not sacrifice the young men of this country.

As I say, Mr. Chairman, the minister left unanswered a great many questions, and some of my colleagues will deal with them. He has given us another one of his bombastic accounts, pretending that everything is wonderful, but I think that things in national defence are at a lower ebb than they have ever been during my time here, and it is due to the attitude of the minister.

His policies do not stand up under examination. If his policies are good, he is not getting the results that he pretends he is getting across the country. There has been too much propaganda and not enough action. What the minister should do now is act as a subdued individual for a little while, and let him produce results rather than just talk about what is going to happen in the future.

On the subject of integration I am not going to say that some of the things that were done were not all right. I think they have been. I think in some of the services you can integrate, especially the supply factors, and you can change the commands around. This is not new. But to talk about a mobile command is a little ridiculous—a command which is charged with responsibility that any command in the past has been charged with—having the troops fighting fit and ready to move.

The minister has not dealt with the subject of unification. Is there anyone in the country who knows what he means by unification? He has never answered that question. Is he going to put everybody into the same uniform? Is he going to cut out the traditions behind the fighting men of this country? He may say, "This is all right; this can be done", but I tell him it is a dangerous course he is following. If he is being advised to do this, then I do not know who his advisers are or what their experience was in the second world war. Quite a bit depends on experience.

If the minister is going to wipe out regiments, if he is going to wipe out the navy and put the navy in the same uniform as the army, and do the same with the air force, then he is headed for trouble. This fear in the minds of many people now in the services has been affecting their morale. I don't mind giving the minister advice. I wish he would take some of the advice that is given him.

Mr. Hellyer: I do.

Mr. Churchill: Once you interfere with these historic traditions behind fighting troops you are causing damage. I know what some people on that side of the chamber say about tradition. They want to wipe it all out, but I am telling you that from the standpoint of fighting troops the tradition of a regiment means a great deal to them. It inspires new men joining a regiment to know the history of the past. Then they say, "We can do the same thing. We will uphold the honour of the regiment. We won't let it down. If this regiment can look back to three of its former members winning the V.C., then we are going to see what we can do to maintain the honour of the regiment." Is the minister going to wipe out all this and, if so, for what purpose?

An effective fighting force is what is required.

Mr. Hellyer: Hear, hear.

Mr. Churchill: Why not build on the foundation that you have, rather than try to change everything? If it is change for the better, fine; but if it is just change for the sake of change then that is stupid and silly, and I am afraid the minister is going along that path.

He uses these big words—integration and unification. We had unification in the second world war. Combined operations—what was it other than unification—the navy, army and air force working together under one commander? How many examples do you require of combined operations, which is unification of fighting forces? You don't have to put everybody in the same uniform. They will work together without that, as they have shown in the past.

• (9:50 p.m.)

Mr. Peters: Mr. Chairman, I had no intention of speaking during this debate until I heard the minister's speech tonight. I think something should be said about some of the remarks he made, and that the Canadian public should be told the truth, which has not been done very often in the matter of defence. They have a right to know whether or not their sons, and daughters in some cases, who go into the services will get a fair break, and whether or not they have been getting a fair break.

The minister said a number of things tonight that I think are not accurate. First, we have not really reduced expenditures for defence. For this year the amount is up approximately $24 million, and for the 1966-67 year, the estimates for which I hope will come before us shortly, the amount is up $11 million. Surely these represent increases.

It is also a fact that we do not have enough soldiers at this time to make up a fighting force. We heard some talk of supplying a group of soldiers—whatever you call 10,000 soldiers, and I was in the air force so I am not familiar with these army designations —but I understand it is impossible to accumulate 14,000 to make up a division, with its reserve forces. If that is true, why in hell are we spending one and a half billion dollars? I am not sure that we should not make a greater reduction in this regard—after all we are enjoying a peacetime period.

It has been generally agreed across this country that Canada should play a peace keeping role. Certainly the Prime Minister has highlighted this fact over the years. We should have a peace keeping force that is mobile, integrated and able to travel to any part of the world, composed of men trained and equipped as well as any force in the world; but apparently this is not possible. Certainly we are not doing that. It is true that we have well trained personnel, but we do not have them in quantity to provide a peace keeping force. Because of the small foot we have in the door of NATO we have a few outdated ships, aircraft that are obsolete and early warning systems that are being closed down before we have paid for them.

In this country we really have not got any defence at all and the general public should be made aware of the fact. I am in complete agreement with the minister that he has done a number of worth-while things, but I am not convinced that integration, putting all service personnel into the same uniform, is the answer. I certainly think it is time that we did something about over-staffing at the top, and I think probably we should do a great deal more in that respect.

I agree with the remarks of the hon. member for Winnipeg South Centre who said that the minister is not a rubber stamp. It is also fair that we warn the minister that it is not good enough for him to look to the rabble behind him who thump their desks at every opportunity. It is unwise for the minister to seek support for the acceptance of his new policies in the fact that the service vote went mostly Liberal. I have a friend who was a scrutineer in connection with the service vote during the last election. It would be very interesting to have one or two of those scrutineers appear before a committee to find out exactly what happened with respect to the service vote. I suggest that the minister and a great many members of this house would probably be shocked as soon as this information came to light.

Mr. Nielsen: I doubt it.

Mr. Peters: I give a certain number of members credit for not knowing the facts in this regard. I am sure they would not respond to the minister's remarks in the way they do when he speaks about the morale of the services if they knew the facts. When you have a dictatorship and there is only one name on the ballot, if you are going to vote at all you vote for the person named. I do not think the minister should take too much credit or place too much reliance on that majority of Liberal servicemen's vote, when talking of the acceptance of his integration policy. He should not use that support in his attempt to obtain the leadership of the Liberal Party, which would probably mean the

prime ministership of this country. I am inclined to believe that is exactly what he is trying to do.

Mr. Hellyer: Mr. Chairman, would the hon. gentleman permit a question? Is he alleging that there was some irregularity in the taking of the service vote?

Mr. Peters: Yes, Mr. Chairman, I am alleging that there was some irregularity.

Mr. Hellyer: Perhaps the hon. member would give us some details of this irregularity, because that is a very serious charge.

Mr. Peters: Yes, Mr. Chairman, I could give some details but I suggest this is a matter to be brought before the defence committee when it holds its meetings. My information is that on most occasions when there had to be a write-in of candidates' names there was only one name written in, and the consensus of these scrutineers is that there was only one name or candidate for whom the people could vote.

Mr. Chairman, in my riding I am known to at least a few people. I have been around for quite a while and I am fairly closely connected with some of the Legion organizations. It is therefore surprising to me that the minister is not aware that the sons of men who have served in various forces have an affinity to those forces and are willing to serve them and their country.

It is surprising that the names of individuals running for election during the last election were not known to the sons of those people who had served, when they voted overseas. I think this whole situation should be investigated.

In any event, Mr. Chairman, I do not think the minister or the government should rely too heavily on the service vote which was overwhelmingly in support of the Liberal party to back up the statement that the morale of Canadian service personnel is exceptionally high. I think they will be fooling themselves if they do so.

Mr. Hellyer: No one is saying that.

Mr. Nielsen: That is precisely what you have said.

Mr. Peters: The response you receive from your backbenchers would indicate that these people believe there is high morale in the service as supported by the overwhelming Liberal service vote. I think that is a false premise upon which to base the statement that the changes in the service are being worked out to their advantage.

I do not think the minister is well advised, in coming into the house during a debate of this nature to outline the national defence program of this country as it is taking place at this time, to state that the changes are being made because somebody else made a mistake or somebody else was at fault. Let us not fool ourselves: Most of the policies of the defence department taken over by the minister were policies which remained from the second world war when the Liberal Party was in power. In my experience the Conservative party when it was in power did not change the defence policy very quickly, or at all. I think that government was advised by the same people who are now advising the present government. The minister may smile, but I am sure he is aware of the fact that sitting up in the gallery are those people who really decide defence policy. I am sure they advised the Conservative party in exactly the same way they are advising the Liberal party now.

I do not believe there is much change taking place now which was not inevitable. I think it is unfair to use a political argument in respect of a decision to scrap the Bomarc, to support the changes being made. Why does the government not admit that the changes are being made because of poor advice received by the department from its advisers?

If the minister has truly changed the policy of national defence I think he should concentrate on that change, rather than lay the blame on others. I think Canadians are very interested in this suggested reduction in the expenditures of the Department of National Defence. The public I am sure is interested in the role that Canada is to play, having a mobile force that can be moved into trouble spots in the world. That is a role that can be of great credit to Canada, but I have not heard anything said which would indicate to me that this is being accomplished. When we want to send someone to a funeral half way across the world we try to hitch-hike a ride with United States services, because we do not have any equipment to fly him there before the burial takes place. This is only a newspaper headline but it is something we hear about every day.

It is perhaps possible that we have planes which are suitable for the military role, and I am sure we do not have to carry our peace keeping force around the world as fast as that. But the committee has not—I have not, at least—heard the minister really speak of

the force in connection with which the Prime Minister won the Nobel Peace Prize. I refer to the role that Canada should be playing in the peace keeping field. If our efforts in this direction have been successful and the aims accomplished, I believe the minister has an obligation to say so. If we do not intend to carry out this role, we should also be told this.

• (10:00 p.m.)

That these exchanges and the reluctance to answer very simple questions lead to a great deal of extended debate that is not necessary. The minister should be fair enough to realize that many hon. members who have spoken in the last few days have probably, like myself, received reports from a number of acquaintances in the services who believe that morale is not high and who have reason for so believing. Many of them left the forces because they were not sure they were going to have a lifetime career in the service; they believed this was no longer possible. I believe these complaints are legitimate and I strongly suggest that the minister consider them with at least some degree of respect.

I do not wish to hold up these estimates any longer but I do believe the minister should tell the country whether we are equipping ourselves for the peace keeping role that we hope to fill or are doing exactly what the minister criticized the former government for, and for which they criticized their predecessors in government, namely being like the tail on the dog and being wagged by the joint chiefs of staff who had a pre-conceived idea in regard to wars that took place a long while ago, and were not really willing to make changes. If this is the situation, I wish the minister would tell the committee, and if it is not the situation I think the minister should tell us this also.

Mr. Hellyer: Mr. Chairman, I think the type of forces being developed are just exactly those required to meet even more effectively in the future any commitments that might be made on them, ranging from the whole spectrum of reinforcing the central front to peace keeping activities. This is something that was brought out in our United Nations peace keeping activities in order to meet the requirements, whatever they were. These requirements have been different in every single case in which we have participated in United Nations peace keeping activities. The reason we have been able to carry them out so successfully is that we have such well balanced troops and equipment. The high mobility of our troops will enable us to carry out these activities on an even more effective basis.

I know it is ten o'clock, Mr. Chairman, but I wonder whether the committee would consider passing item 1 tonight on the understanding that when we reach item 15 I will answer any questions of concern to any individual member of the committee.

The Deputy Chairman: Shall vote No. 1 carry?

Mr. Churchill: No, Mr. Chairman. There is no great haste. The minister has brought this upon himself with his 45-minute speech tonight and his violent attack on the hon. member for Calgary North.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

HEALTH AND WELFARE—MEDICARE—INQUIRY AS TO LEGISLATION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am sure we all noted with interest this afternoon the statement of the Prime Minister (Mr. Pearson) that nothing would please him better than to be here at ten o'clock tonight. I understand that he is busy and not able to be here. I trust that the minister who will reply for him will be in a position to give a clear answer to the question which I have posed on two or three occasions.

The question I asked the Prime Minister last Thursday, which was not allowed on orders of the day and is therefore on the late show for tonight, had to do with the statement made on two or three occasions by the Minister of National Health and Welfare (Mr. MacEachen) to the effect that medicare payments would begin on July 1, 1967. In the light of that assertion by the minister, therefore, I have asked the government to give us an indication as to the date by which medicare legislation would have to be enacted in order to make this possible.

Now, Mr. Speaker, let me make quite clear what it is I am trying to get at. I am not posing a legal question or, as Mr. Speaker suggested last Thursday, seeking an interpretation of a statute. After all, there is no statute yet with respect to this matter. What

I am trying to do, and the Minister of National Health and Welfare will not be surprised at my trying to do this, is to pin the government down as to when it is going to act on this important measure.

There is not the time to go over the history of the Liberal Party with regard to health insurance or medicare. It dates back to a period before the Minister of National Health and Welfare was born. In fact for 47 years we have been waiting for action on this matter. More particularly in the last few years the Liberal Party, under the present Prime Minister, has been talking very aggressively about medicare. Last July we had four pretty good principles laid down and we were told these would be the underlying principles of the medicare legislation to be introduced by this government. It was, of course, promised categorically in the last election campaign, and it was mentioned in the Speech from the Throne on January 18 of this year.

But in this session, when we have tried to get a clear statement from the Prime Minister or from the Minister of National Health and Welfare as to when this legislation is going to be before us, we have been given a very general kind of answer. We are told it is hoped it will be brought before us at this session. We are are told the government's position is still the same as it was in the Speech from the Throne, that it intends to go ahead with the legislation.

I see the Minister of National Health and Welfare is here. He knows that for the government's own sake this is not good enough. This kind of general promise that it will be done if possible, this general statement that we hope to have it done, that is the kind of thing that leads to one session after another going by without action taking place. The minister knows how difficult it was to get him to introduce the labour code. When he did bring it in there were two things omitted, the fair wages and hours of labour amendments and a safety code. He knows how difficult it was to get the government to bring forward the Canada Pension Plan. I submit that what we need from this government, for the sake of the people of Canada, what the government needs to do for its own sake, is to give us a timetable and tell us when it intends to put medicare on the order paper. The government should tell us whether it is its intention that this session shall continue until medicare legislation is enacted. If not, let us all know that it is just so much talk.

I ask the Minister of National Health and Welfare, when answering for the Prime Minister on this question, not to skirt around it, not to talk about the legal difficulties of fixing a date so many months ahead of July 1, 1967. I ask him to take this house, to take the country, into his confidence and tell us precisely what the government's plans are with respect to medicare. Surely the government itself must have a plan for getting it on the order paper some time in 1966 and for getting it passed by some specific date in 1966.

• (10:10 p.m.)

We hear a great deal from the government house leader about the desirability of planning the session and timetabling our work. The time to plan things and to timetable our work is not when we get into some crisis. The time to do it is in advance.

Therefore, I give the Minister of National Health and Welfare tonight a golden opportunity. I hope he will seize it and will tell us when medicare will be put on the order paper, and by what date the government feels it must be passed in order that the promise to have it in effect by July 1, 1967, can be implemented without fail.

Hon. A. J. MacEachen (Minister of National Health and Welfare): First of all, Mr. Speaker, I should like to explain to the house and to the hon. member for Winnipeg North Centre that the Prime Minister wishes to express his regret concerning his absence this evening. He had indicated earlier in the day that he would like to be here, but it is now impossible for him to be here to reply to the question directed to him by the hon. member for Winnipeg North Centre.

The hon. member asks the specific question, when it is expected the legislation on medicare from the federal point of view will be placed on the order paper. Naturally it would be impossible for me to make a clear declaration on that point this evening. Nor do I think it is a crucial question because it is the firm intention of the government to adhere to the four principles laid down by the Prime Minister last July at the federal-provincial conference.

The communiqué issued after the recent conference of federal-provincial ministers of health includes the following two paragraphs:

> In discussing medical care insurance, several provinces accepted the federal proposals and indicated their readiness to commence programs by July 1, 1967. Certain provinces, however, were unprepared to make definite commitments at this time.

The Minister of National Health and Welfare again expressed the adherence of the federal government to the announced four principles, and its objective to commence federal contributions to provincial medical care plans on a nation-wide basis by July 1, 1967.

That is the statement that I made at the federal-provincial conference, and it still represents the policy of the government.

While it would be desirable to get this legislation through the house as quickly as possible, it should be borne in mind that from the federal point of view the legislation affecting medicare will be relatively simple because it will take the form of enabling legislation providing for payments to provinces within the framework of the four principles which have been enunciated by the Prime Minister.

It would of course be satisfactory and desirable to have this legislation on the order paper and to get it passed—certainly it would be my wish—as quickly as possible. However, I have in mind that as Minister of National Health and Welfare I have certain prior commitments to the provinces with respect, first, to the Canadian assistance plan, which was targeted for April 1, 1966—

Mr. Knowles: We have not seen that yet either.

Mr. MacEachen: —and also with respect to the health resources fund payments, which are to extend back to January 1, 1966.

Mr. Knowles: We have not seen that either.

Mr. MacEachen: These are two health and welfare items of legislation which must come first in this session, as I regard them as important legislation which is to be undertaken in the field of health and welfare.

Mr. Deputy Speaker: Order. I must advise the minister that the time allotted to him has expired.

[*Translation*]

HEALTH AND WELFARE—WARNING ON PACKAGES OF CIGARETTES

Mr. Antonio Yanakis (Berthier-Maskinongé-Delanaudière): Mr. Speaker, I should like to call the attention of the Minister of National Health and Welfare (Mr. MacEachen) to my proposal concerning the dangers of smoking.

On May 15, 1963, Doctor M. R. MacCharles stated at a convention of the Canadian Medical Association, that excessive smoking was the main cause of lung cancer and that this disease was incurable.

The committee made up of 17 doctors, including cancer specialists, unanimously agreed that the situation had reached such alarming proportions that a wide publicity campaign should be launched among the public.

In January 1964, Dr. Luther Terry, a well known American physician, published a report which had been prepared by a committee of experts and stated that there was a direct link between smoking, on the one hand, and lung diseases, respiratory ailments and heart troubles, on the other. The report further said that cigarette smoking was such a serious health hazard that it was the duty of the American government to take appropriate steps in that connection.

According to statistics, Mr. Speaker, each day, 450 boys and girls ranging from 11 to 17 years of age start smoking. We all know that when a child develops that habit, it cannot do without smoking after two years.

In 1963, lung cancer made 2,500 victims in Canada and that figure is increasing at a fantastic rate from year to year.

While medical science is waging a lost battle to save those lives, the tobacco companies spend millions of dollars a year to increase their sales among adults and to entice a new generation into acquiring the smoking habit.

Although over $150 million are spent yearly for publicity purposes in North America, a very meagre sum indeed is spent in Canada to protect the public against that danger.

If the situation continues, according to a Canadian Medical Association report, cigarettes will be responsible for the premature death of nearly 100,000 children now attending Canadian institutions.

No one wants to deprive anyone else of smoking pleasure, providing he is aware of the risk involved but when the risk is hidden as in the case of cigarettes, persons should be warned by positive measures as in the case of certain drugs labelled with the word "poison". I ask the government, in the interest of the nation's health, to require the tobacco companies to label cigarette packs with the words: "Beware. Smoking may be harmful to your health".

[*English*]

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I appreciate the interest of the hon. member in this

important subject, which has been a matter of continuing concern to the department and to the present minister.

The hon. member directs our attention to a practice established in the United States of placing a warning sign on cigarette packages saying that smoking may be a health hazard. He suggests that action be taken in this country to follow this practice in the United States. A great deal must be said for the desirability and the efficacy in reaching the intended objective suggested by the hon. member; however, the authority of the government to do this, and jurisdiction under which this legislative action might be taken, will have to be examined.

I can tell my hon. friend that this very matter has been the subject of discussions with the industry, and that it is presently receiving the attention of the Department of National Health and Welfare. The department will take whatever decision on the point may be appropriate.

• (10:20 p.m.)

VETERANS AFFAIRS—METHOD OF DEALING WITH INQUIRIES BY MEMBERS

Mr. Jack McIntosh (Swift Current-Maple Creek): This afternoon when I addressed my question to the minister I did so for the purpose of clarifying the policy of his department. I have received a letter from one of the pension advocates which is disturbing because it suggests that a procedure is now being followed completely different from the procedure followed in the past. I asked in my question this afternoon if there had been a change in the policy of the Department of Veterans Affairs, a change which the minister had failed to announce in the house.

I wish to be fair to the minister. This does concern only one particular case. However, I assume that if there has been a change in the policy followed, pension advocates are no longer able to answer the letters of members of parliament. If the minister has adopted such a practice he is preventing the efforts of members of parliament to obtain justice for veterans and their dependents, whether from their constituencies or elsewhere in Canada.

I wish to be brief. Did the minister, or someone else in authority, issue instructions to the pension advocates who are supposed to present cases on behalf of the veterans that they are not at any time to answer letters from members of parliament, but that they are to refer those letters to the deputy minister of the department, or to the departmental secretary? If so, what was the reason for issuing such a directive?

Hon. Roger Teillet (Minister of Veterans Affairs): My answer can be very brief. No such directive has been sent. Certainly none has been sent by me. I would like to know what particular case is involved here. I have no knowledge of any case where a pension advocate was told not to answer a letter from a member of parliament. If there is a case, I would like to know about it and if the hon. member would let me have the letter I would look into the matter and reply to him.

I am sorry I could not reply to his question today. I think he understands the situation; the question was ruled out of order. I would have been glad to answer it, though I could have done no more than I have done this evening. I hope this reply will satisfy the hon. member.

Mr. McIntosh: Did the minister instruct anyone in his department to give this directive?

Mr. Teillet: No, Mr. Speaker.

Motion agreed to and the house adjourned at 10.25 p.m.

HOUSE OF COMMONS

Tuesday, February 22, 1966

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

REPORT OF CANADA-FRANCE INTER-PARLIAMENTARY ASSOCIATION

Mr. Speaker: I have the honour to lay on the table copies in English and in French of the report of the organizational meeting of the recently formed Canada-France Interparliamentary Association held at Ottawa in August, 1965.

[*Translation*]

Allow me also to table French and English copies of the report of the eighth meeting of the Canada-U.S. interparliamentary group held in Ottawa in May 1965.

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

PRINTING OF OBJECTIONS IN SEPARATE BOOKLET

Mr. Speaker: As hon. members know, some 27 objections pursuant to section 20 of the Electoral Boundaries Readjustment Act which have been filed with me have been printed from time to time as appendices to *Votes and Proceedings.*

It has been suggested that the convenience of hon. members would be better served if these objections were brought together in one publication. If the house will agree I will make the necessary arrangements to have these objections printed as a separate booklet. Is it agreed?

Some hon. Members: Agreed.

COMMITTEES OF THE HOUSE

First report of standing committee on finance, trade and economic affairs—Mr. Gray.

First report of standing committee on transport and communications—Mr. Macaluso.

[*Text of the foregoing reports appears in today's Votes and Proceedings.*]

[*Translation*]

TOBACCO RESTRAINT ACT

REQUIREMENT THAT HEALTH WARNING APPEAR ON CIGARETTE PACKAGES

Mr. Antonio Yanakis (Berthier-Maskinongé-Delanaudière) moved for leave to introduce Bill No. C-130, to amend the Tobacco Restraint Act.

Some hon. Members: Explain.

Mr. Yanakis: Mr. Speaker, I am introducing this bill to call the government's attention to the direct link between excessive cigarette smoking, which I consider to be a real social ill, and the causes of lung cancer, respiratory ailments and heart diseases, which are confirmed by specialists.

I think that in order to call the attention of smokers to that hazard and to warn the future generation of smokers, the government should urge the manufacturers to print on their packages of cigarettes: "Warning—Smoking a package of cigarettes can be dangerous".

Motion agreed to and bill read the first time.

FIRE

QUEBEC—INVESTIGATION INTO THE FIRE THAT DESTROYED THE LIEUTENANT GOVERNOR'S RESIDENCE

On the orders of the day:

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, I should like to direct my question to the Prime Minister.

Has the Prime Minister during his private conversations with the Quebec premier yesterday, asked him for an investigation into the fire that destroyed the Lieutenant Governor's residence and has he offered the help and the co-operation of the federal government to hold this investigation?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, no such request was made. I discussed with the Prime Minister of Quebec the question of the appointment of a successor to the late Lieutenant Governor, and at that time learned from the Prime Minister of Quebec something of the circumstances of the fire. He is going to report to me in greater detail. I agree with my hon. friend that the

circumstances, in so far as I know them at present, would seem to warrant an investigation into the origin of the fire. I shall be glad to discuss this matter with the Prime Minister of Quebec.

FINANCE

PRIOR DISCUSSIONS RESPECTING APPLICATION OF U.S. MONETARY POLICY

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a question to the right hon. Prime Minister. At a press conference last week United States Commerce Secretary Connor said that before imposing the United States guide lines the reaction of the Canadian government had been sought at a high level. I should like to ask the Prime Minister if there have been any discussions with him or with any of his ministers regarding this question, and if so, which ministers were consulted.

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker. The Minister of Finance has already indicated that discussions between the two countries took place last autumn, not only in respect of the guide lines but on other aspects of financial policy as well.

Mr. Douglas: A supplementary question, Mr. Speaker. May I ask the Prime Minister if the United States Secretary of Commerce is correct in indicating that at that time there was no indication of any unfavourable reaction from the Canadian Government?

Mr. Pearson: I think the Minister of Finance who took part in these discussions, will deal with that question.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I gave a full account of the discussions that took place between the Canadian government and the United States government at both the ministerial-secretarial level and at the official level. We made it quite plain to the United States government that we did not think that the guide lines on direct investment were in the interests of either Canada or the United States.

[*Translation*]

LABOUR CONDITIONS

ACCEPTANCE BY QUEBEC OF PROPOSED MANPOWER POLICY

On the orders of the day:

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

[Mr. Pearson.]

Can he tell us whether or not an agreement has been reached with the Quebec Minister of Labour with regard to Quebec's withdrawal from the joint manpower development program?

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, no agreement has been reached as there has not been any negotiation; there have been no problems other than those found in newspapers.

Mr. Grégoire: Mr. Speaker, I wish to put a supplementary question to the minister. Can he tell us if the Quebec Minister of Labour has expressed the intention of withdrawing from that joint manpower development program?

Mr. Marchand: Mr. Speaker, I would have to know exactly what this joint manpower program really is, because I know of no plan or program by that name.

[*English*]

Hon. Michael Starr (Ontario): Mr. Speaker, mine is a supplementary question to the Minister of Citizenship and Immigration. If the province of Quebec does not participate in the manpower policies of the federal government, as members of the Quebec legislature have indicated, will it be the intention of the federal government to give financial aid to the province of Quebec in lieu of its participation?

Mr. Marchand: Mr. Speaker, we had a federal-provincial conference in January. At that time the province of Quebec agreed to participate in agreement No. 5 entered into under the vocational training act. They did accept, so I do not see the problem. I think the Minister of Labour was referring to the mobility program, which is strictly a federal act. That, of course, has been enacted very recently and I do not know what the actual attitude of Quebec will be.

EXTERNAL AFFAIRS

NATO—REPORTED STATEMENTS BY PRESIDENT DE GAULLE

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Prime Minister. In view of the statement made yesterday by the President of France, General de Gaulle, outlining a policy involving the removal in the near future of NATO forces from French soil, I would ask the right hon. gentleman whether he has received any communication from President de Gaulle or

has there been any communication to the government of France from the Prime Minister in relation to this policy as it affects our armed forces in NATO?

Right Hon. L. B. Pearson (Prime Minister): There has been no discussion between the two governments as such, though the Secretary of State for External Affairs did see the French ambassador yesterday morning and discussed with him the observations made by President de Gaulle. Those observations of the day before yesterday were made at a press conference, and they develop the same view which the General has expressed in previous press conferences. However, an important new feature was an indication that after 1969 there would be a change in the command arrangements applying to foreign military elements on French territory.

All General de Gaulle's observations were, however, expressed in general terms, and we would expect that in due course the French government would make precise proposals to which Canada and other NATO governments would respond. At that time we could discuss within NATO any precise proposals which might be made. Such discussion would be inevitable in any event, because in the North Atlantic Treaty there is provision for a re-examination of the basis of the North Atlantic agreement after 20 years, and that 20 year period ends in 1969.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, arising out of that question and the answer which has just been given, would the Prime Minister say what is the attitude of the Canadian government toward the suggestion attributed to General de Gaulle that in the first place the NATO mechanism is too rigid, too ponderous and too slow; and the General's view that troops on French soil would have to have French commanders? Can the Prime Minister give some indication of the view of the government on this, and also the suggestion attributed to the General that he would welcome a bilateral, direct alliance between France and the United States involving mutual assistance, defence and a "hot line" between Paris and Washington? Would the Prime Minister not say, in the light of the attitude reiterated by General de Gaulle, that the time has come for the fullest consideration to be given by the Atlantic countries to bringing about an Atlantic community?

Mr. Pearson: As far as the third question asked by the right hon. gentleman is concerned, I do not wish to comment on any reported statement which may have been made about arrangements between Paris and Washington in respect of a special alliance. I have heard nothing about that.

As far as the first question is concerned, let me say that I think the NATO collective security arrangements since they were drawn up have been of great value in the preservation of the security and freedom of western Europe and the Atlantic community. I do also feel, however, as I am sure the right hon. gentleman does, having followed these developments, that at the end of a 20 year period it is a good thing to re-examine the coalition and perhaps make changes, if changes should be made, in order to make the coalition more effective.

As a matter of fact when the organization met here a year or so ago I myself made a statement to this effect, and the Canadian government had already instituted a re-examination of the alliance pending the end of the 20 year period. But I think the organization has been effective, and I hope we can make it more effective. It is a coalition which involves questions of collective security, and Canadian troops are in Europe as our contribution to this collective agreement. That is the only reason they are in Europe. They are not under national command nor would they be under national command in the future. They are there as part of the NATO arrangement, just as French, British and Norwegian troops would be in Canada if the NATO allies agreed that this should be done. That is why we are in Europe, and that is why we should remain in Europe.

Mr. Diefenbaker: Mr. Speaker, I largely agree with the general concept advanced by the Prime Minister, but I come back to the question of the view of the Canadian government in answer to the suggestion by General de Gaulle to the effect that rather than improvement in NATO there may actually be disintegration if not complete dissolution. What is his answer to the earlier question? Though making this examination of NATO, desirable as it is, as a consequence of General de Gaulle's very strong and definitely truculent views having been expressed in this connection, what is the general attitude of the Prime Minister toward negotiations or discussions being commenced now to bring about an Atlantic union?

Mr. Pearson: Well, Mr. Speaker, I do not believe General de Gaulle meant his observations to be considered as either truculent or

final, and we certainly do not consider them so. I do believe that a re-examination of the NATO alliance—indeed, we have been carrying on such a re-examination for some time—is desirable, and far from this re-examination resulting in the disintegration of the North Atlantic Treaty Organization I should think it would result in strengthening the alliance by making it, if possible, less of a military alliance and more of a political and economic alliance.

CANADIAN NATIONAL RAILWAYS

REQUEST FOR INVESTIGATION INTO GASPÉ-MATAPÉDIA SERVICE

On the orders of the day:

Mr. J. R. Keays (Gaspé): Mr. Speaker, I wish to direct a question to the Minister of Transport. Due to the callous attitude shown by the C.N.R. to some 200,000 people who may travel by rail between Gaspé and Matapédia, would the minister consider ordering an immediate inquiry into the situation?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I shall be glad to inquire into the matter.

AGRICULTURE

ALBERTA—REQUEST FOR ASSISTANCE TO FARMERS

On the orders of the day:

Mr. H. M. Horner (Jasper-Edson): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. I am wondering whether over the week end he reconciled his differences with the Minister of Agriculture for the province of Alberta, and nas he now received an official request and will he give consideration to additional assistance for farmers in northwestern Alberta?

Hon. J. J. Greene (Minister of Agriculture): Well, Mr. Speaker, I have never had any differences with the Minister of Agriculture for the province of Alberta—

Mr. Horner (Jasper-Edson): That isn't what he says.

Mr. Greene: —who is a most courteous and charming gentleman, but I will say, Mr. Speaker, that there have been no new requests. The original request was made last December for payments supplementing P.F.A.A. payments. I have already made my statement in this house with regard to the impropriety of preferring one P.F.A.A. area over another, and I do not believe there has been any change in this situation.

[Mr. Pearson.]

Mr. Horner (Jasper-Edson): Then would the minister get in touch with the P.F.A.A. officials and try to speed up the issuance of cheques for inspections which were made last December, payments that have not yet been made in my area?

Mr. Speaker: Order. The hon. member has made his point with the minister.

[*Translation*]

CANADIAN CONSTITUTION

SUGGESTED STUDY BY PARLIAMENTARY COMMITTEE

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I wish to put a single question to the President of the Queen's Privy Council for Canada.

Is the federal government still considering the creation of an all-party parliamentary committee to study changes to our Canadian constitution and can we anticipate an answer in this connection in the near future?

Hon. Guy Favreau (President of the Privy Council): Mr. Speaker, the right hon. Prime Minister has already answered that question by saying that the possible creation of a committee was under consideration.

[*English*]

FINANCE

REPORTED SPEECH BY IMMIGRATION MINISTER RESPECTING TAXES

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to direct a question to the Prime Minister. Could the Prime Minister advise the house whether the speech of the Minister of Citizenship and Immigration was reflecting government policy when he said higher taxes are inevitable and that a capital gains tax is on the way?

Right Hon. L. B. Pearson (Prime Minister): That is the statement of my hon. friend which he has attributed to the minister, Mr. Speaker.

[*Later:*]

[*Translation*]

Mr. Lambert: Mr. Speaker, I should like to put a question to the Minister of Citizenship and Immigration. Has the minister been correctly quoted when he is reported as having said he expects higher taxes and he is himself in favour of a capital gains tax?

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, I never said I would agree to increased taxes. When I was asked whether I would eventually object to them, I said that if higher taxes could be afforded, I would have no objection. This is a relative rather than an absolute position. As far as a capital gains tax is concerned, I said, pointing out that I was speaking for myself, that I was in favour of it. I have not changed my mind today.

[*English*]

Hon. Michael Starr (Ontario): I have a supplementary question for the Prime Minister, Mr. Speaker. Is there now a government policy evolved by which ministers take on a Dr. Jekyll and Mr. Hyde identity?

[*Translation*]

FAMILY ALLOWANCES

INQUIRY AS TO POSSIBLE INCREASE

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I wish to put a question to the right hon. Prime Minister.

Further to an answer on the order paper to the effect that family allowances had increased 9.4 per cent since 1945 and that the cost of living was up 87.7 per cent, is the right hon. Prime Minister considering increasing the rates of family allowances on the basis of the cost of living index?

Mr. Speaker: It seems to me that this question is of a general nature and could be placed on the order paper.

[*English*]

EXTERNAL AFFAIRS

VIET NAM—REPORTED STATEMENTS BY U.S. SENATORS

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. Has the minister's attention been drawn to the statement of Senator Fulbright, chairman of the Senate foreign relations committee in Washington, in which he announced his support for the position taken by Senator Robert Kennedy with regard to the inclusion of the Viet Cong in any negotiations and in any future interim government in Viet Nam, and if so is the Canadian government prepared to support Senators Fulbright and Kennedy in that position?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I will have to examine what both senators said.

Inquiries of the Ministry

NORTHERN AFFAIRS

RECOMMENDATION RESPECTING INDIAN AND ESKIMO RIGHTS COMMISSION

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the minister who will become the minister of Indian affairs and northern affairs. Has the twelfth annual conference of the Indian and metis association communicated to him its resolution recommending the setting up of an Indian and Eskimo rights commission and, if so, what is the government's intention in this regard?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I think I would prefer to take this question as notice.

AIR CANADA

WINNIPEG—REPORT OF INQUIRY RESPECTING MAINTENANCE BASE

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, my question is addressed to the Minister of Transport. In view of the urgency to the city of Winnipeg, and since the previously indicated publication date of January 31 is some three weeks past, can the minister now say when the Thompson commission report on Winnipeg's aviation future will be published?

Hon. J. W. Pickersgill (Minister of Transport): As soon as it is available.

Mr. Churchill: You have said that for months.

Mr. Sherman: Mr. Speaker, I have a supplementary question for the Minister of Transport. The answer "as soon as it is available" has been given in respect of frequent inquiries over the past eight months, and I request a more explicit and definite date if possible from the minister.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a supplementary question. Can the minister be clear on one point; does he have possession of the report?

Mr. Pickersgill: No.

[*Later:*]

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I should like to ask the Minister of Transport whether the people of Winnipeg may assume that the Air Canada overhaul and maintenance base will be maintained there in full force and effect and with full employment.

Inquiries of the Ministry

Mr. Pickersgill: The undertaking given by the government with respect to the maintenance base in Winnipeg are being carried out and will continue to be carried out.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I put a supplementary question?

Will the recommendations made by the commission appointed to look into the possibility of moving the Air Canada maintenance base to Montreal be implemented by Air Canada and the present goverment?

[*English*]

Mr. Pickersgill: Mr. Speaker, I am wondering whether we are engaging in a debate.

Mr. Knowles: We are trying to get an answer.

[*Translation*]

Mr. Grégoire: Mr. Speaker—

Mr. Speaker: Order, please.

The hon. member put a question and the minister has answered it after a fashion. The hon. member must be content with the answer he got.

[*English*]

SHIPPING

ST. LAWRENCE RIVER—ARRANGEMENTS FOR MEETING RESPECTING SAFETY

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I would also like to address a question to the Minister of Transport, and I hope I do not receive the same answer he just gave my colleague. Could the minister tell us what progress he is making in arranging for the meeting with the interested parties that he mentioned on February 17 with reference to safety on the St. Lawrence?

Hon. J. W. Pickersgill (Minister of Transport): Very good progress, sir.

ADMINISTRATION OF JUSTICE

HAL BANKS—INQUIRY AS TO PROSECUTION

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 arising out of an answer he gave recently to the hon. member for Kootenay East in respect of certain documents seized relating to the S.I.U. and the question of whether there will be a further indictable charge laid against Hal Banks. Has an application been made to obtain those exhibits from the supreme court so they may be examined to see whether another indictable offence can be laid against Hal Banks in view of the recent developments in the United States in respect of that gentleman?

Hon. Lucien Cardin (Minister of Justice): I have already stated that the documents have been released by the supreme court and are now being studied.

Mr. Erik Nielsen (Yukon): Can the minister inform the house whether this matter has been referred to the law officers of the crown in his department or whether it is the intention of the government to retain independent counsel, as was done previously, for the purpose of assessing the evidence?

Mr. Cardin: The investigation is not yet completed.

[*Translation*]

EXTERNAL AFFAIRS

CULTURAL EXCHANGES BETWEEN FRANCE AND CANADA

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): I wish to put a question to the Secretary of State for External Affairs. Further to his statement that the Montreal Symphony Orchestra will go ahead as a cultural exchange between France and Canada, is the minister in a position to advise as to what artistic group France will be sending to Canada in exchange?

Mr. Speaker: This question is very important but I doubt whether it is so urgent as to preclude its being put on the order paper.

BUSINESS OF THE HOUSE

DEBATE ON THE ABOLITION OF CAPITAL PUNISHMENT

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): I wish to direct my question to the Minister of Public Works in his capacity as house leader. In view of the fact that the Electoral Boundaries Readjustment Act has been amended so as to extend to 45 days the time allowed to study the objections, does the minister intend to take advantage of that time to introduce, or have an hon. member introduce, a bill to abolish capital punishment?

Could he also tell the house if the meetings between the representatives of each political party have given any results to date?

[*English*]

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, the present plan for submitting business to the house is, first, to complete the estimates now before the house. Then, depending on what day of the week these are finished, we will call a supply motion for the purpose of entering the estimates of ten departments and referring them to the appropriate standing committees. This will be followed by a debate on the abolition of capital punishment, which will be presented in the form of a private member's measure. The government has indicated that it will make government time available for that debate.

[*Translation*]

Mr. Choquette: Mr. Speaker, I would like to direct a supplementary question to the Minister of Public Works. Can he tell us if the representatives of each political party in this house are still meeting to elaborate the procedure which will be followed when the bill to abolish capital punishment is considered?

[*English*]

Mr. McIlraith: Mr. Speaker, the precise form in which this business will be placed before the house has not yet been finally agreed upon. I do not think it would be helpful for me to say more than that about it at the moment.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, does the suggestion made by such a close supporter of the government indicate that the government is giving consideration to the opting out provision in so far as capital punishment is concerned?

Mr. McIlraith: No, Mr. Speaker.

Mr. Speaker: Order, please.

REQUEST FOR DELAY IN HOUSE OPENING ON FEBRUARY 24

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I have not had the opportunity of presenting this suggestion to the Prime Minister earlier this day, but some of my colleagues have suggested that I should ask whether, because many members of the house would like the opportunity to pay their last respects to one of our colleagues, the late Lieutenant Governor of Quebec, the Prime Minister could give consideration to having the house open on Thursday at 4.30 in the afternoon, enabling members to attend and be back to carry out their duties. This would also provide members generally with an opportunity of paying their respects to one who enjoyed the affection and admiration of us all.

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker. I think that is an admirable suggestion, which I am sure can be agreed upon.

PACIFIC GREAT EASTERN RAILWAY

PROPOSED PAYMENT OF FEDERAL SUBSIDIES

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is directed to the Minister of Transport. Does the statement made by a Liberal member of the British Columbia legislature favouring federal subsidies for the Pacific Great Eastern Railway mean that this government is prepared to negotiate such a subsidy program with the government of British Columbia?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I am not even aware of the statement.

Mr. Speaker: Order, please.

BOARD OF TRANSPORT COMMISSIONERS

CONSIDERATION OF APPLICATIONS FOR TELEPHONE RATE INCREASES

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Transport. During the consideration of his estimates the minister indicated that at an early date he would present to the house the findings of the Board of Transport Commissioners regarding the telephone rate increases it has been considering. Has the minister received that information as yet?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I regret to say that I have not as yet received word from the Board of Transport Commissioners in this regard. I will get in touch with the chief commissioner again.

[*Translation*]

WINTER WORKS

INQUIRY AS TO EXTENSION OF PERIOD

On the orders of the day:

Mr. Raymond Langlois (Mégantic): Mr. Speaker, may I put a question to the Minister of Labour.

Inquiries of the Ministry

Can the minister tell the house whether he has received any communications or telegrams from various municipalities asking for the extension of the winter works period in view of the temperature and the severe weather conditions experienced this winter, which delayed the carrying-out of those works?

[*English*]

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, with all respect I think the question should have been addressed to my colleague the Minister of Citizenship and Immigration.

[*Translation*]

Mr. Langlois (Mégantic): Mr. Speaker, I put my question to the Minister of Citizenship and Immigration.

Hon. Jean Marchand (Minister of Citizenship and Immigration): Would the hon. member be so kind as to repeat his question?

Mr. Langlois (Mégantic): Has the minister received, from different municipalities, communications asking for the extension of the winter works period in view of the delays brought about by severe weather conditions and inclement temperature which prevailed recently?

Mr. Marchand: Mr. Speaker, I have no information at this time, but I shall inquire of the department and give an answer a little later.

[*English*]

PENITENTIARIES

WARKWORTH—REPORTED EXPLOSION AND LOSS OF LIFE

On the orders of the day:

Mr. Lee Grills (Hastings South): Mr. Speaker, my question is directed to the Minister of Public Works. Has the minister received any information regarding a reported accident and serious explosion at the construction site of the Warkworth penitentiary this morning, which took the life of one man and injured several others?

Mr. Speaker: Order, please. This may be an important matter, but I suggest it is not the type of question that should be submitted at this time.

Mr. Erik Nielsen (Yukon): Mr. Speaker, with deference, I wonder whether Your Honour might allow the question asked by the hon. member for Hastings South, since there has been loss of life and since it is the responsibility of the Solicitor General to answer questions of this nature.

Mr. Speaker: The Chair must reach a decision each time a question is asked as to whether the question should be allowed and an answer given during the question period. Even though there may have been a loss of life my decision was based on the general principle that this was not a matter of national urgency. However, if it is the general feeling of the house that the matter should be considered at this time and the Solicitor General wants to reply to the question, I will allow him to do so.

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, the question was not addressed to me originally. I regret, however, that I am unable to help the house in this regard. I will make inquiries immediately and communicate with the hon. member.

[*Later:*]

Mr. Pennell: Mr. Speaker, perhaps I may expand on the reply I gave to the question asked by the hon. member for Hastings South. I have just been advised that a propane gas tank exploded at Warkworth, injuring one man and killing another. I have no more details, except to say that the control of this institution has not yet been turned over to the penitentiaries service.

HOUSE OF COMMONS

INQUIRY AS TO SETTING UP OF JOINT RESTAURANT COMMITTEE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the house leader because of certain discontent in relation to the operation of the restaurant and other facilities of that type. Can the house leader inform the house when the restaurant committee is to be established?

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I cannot tell when that committee will be established, but a notice has been prepared and has gone forward today to be placed on the order paper.

EXPO '67

REPORTED WITHDRAWAL OF PARTICIPATION BY IRELAND

On the orders of the day:

Mr. R. E. Régimbal (Argenteuil-Deux-Montagnes): Mr. Speaker, I should like to direct my question to the Minister of Trade and Commerce. There were several radio

reports in Montreal during the past week end to the effect that Ireland had withdrawn its application to participate in Expo '67 because of the fact that some $1½ million worth of sweepstake tickets had been seized by the R.C.M.P. in recent weeks. My question is, has Ireland actually withdrawn its application to participate in Expo '67?

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

ADMINISTRATION OF JUSTICE

REQUEST FOR STATEMENT ON PAROLE SYSTEM REVISION

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I want to ask the Solicitor General a question. A few weeks ago the minister in reply to a question said he would announce the policy of the government regarding parole prior to the vote on capital punishment. Can the minister tell the house when we may expect his announcement on this important matter?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I do not think I used the exact words quoted by the hon. member. I believe I said that the question he raised would be met during the course of the debate. However, I will take his question as notice now.

AIR TRANSPORT

ALLOCATION OF ROUTE BETWEEN TORONTO AND LOS ANGELES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport. Has the government yet reached a decision as to what air line will be permitted to fly the route between Toronto and Los Angeles?

Hon. J. W. Pickersgill (Minister of Transport): No, sir.

Mr. Knowles: A supplementary question, Mr. Speaker. May we assume that it will be Air Canada?

Mr. Pickersgill: Mr. Speaker, the hon. gentleman can make any assumptions he likes. The government will make the decision.

Some hon. Members: Hear, hear.

Mr. Knowles: The government or the minister?

An hon. Member: Liberal arrogance.

[*Later:*]

Mr. L. M. Brand (Saskatoon): Mr. Speaker, I have a question for the Minister of Transport. It was intended to be supplementary to one already asked but Your Honour could not hear me a few questions ago. In view of the amazing statement the minister made a short while ago, that the government makes the decisions as to air routes, will the minister see about changing the DC-9 air routes so they stop in Regina and Saskatoon—

An hon. Member: And Halifax.

Mr. Brand: —and Halifax, as my hon. friend has said, since the minister apparently has this power?

Mr. Pickersgill: Mr. Speaker, the government has the responsibility given to it by parliament for deciding which route will be assigned to an air line, but it does not have the responsibility for deciding what kind of equipment the air line will use. That is a matter for the management of the air line.

Mr. Brand: A supplementary question, Mr. Speaker. In view of that answer, and since apparently no decision will be made about the DC-9's at this time, would the minister consider allowing the C.P.R., or rather Canadian Pacific Airlines to fly these routes as well as Air Canada?

Mr. Pickersgill: Mr. Speaker, the C.P.R. will be glad to learn it has one friend in the house.

An hon. Member: The question was about C.P.A.

FISHERIES

REQUEST FOR REPORT ON MEETING OF FUR SEAL COMMISSION

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, after that last reply I shall not address a question to the Minister of Transport but will try the Minister of Fisheries. I would like to ask the Minister of Fisheries whether he can give the house any report upon the proceedings of the North Pacific fur seal commission, which is meeting at the present time in Ottawa.

Hon. H. J. Robichaud (Minister of Fisheries): This meeting started yesterday, Mr. Speaker. It is much too early for me to give a report. The meeting will proceed practically all week.

Mr. Barnett: A supplementary question, Mr. Speaker. I would like to ask the Minister of Fisheries whether it is the intention of the

government to take advantage of the presence in Canada of representatives of Japan, the U.S.S.R. and the U.S.S.A.—

Some hon. Members: Oh, oh.

Mr. Barnett: I mean the U.S.A. Is it the intention of the government to take advantage of the presence in Canada of these representatives to explore the possibility of extending this four power treaty arrangement to other areas of the Pacific fisheries?

Mr. Robichaud: No, Mr. Speaker.

Mr. D. V. Pugh (Okanagan Boundary): Mr. Speaker, my question is supplementary, to the Minister of Fisheries. I am wondering whether the minister has received a brief from the fisheries delegation here and whether he has now studied it. I understand he is meeting them later tonight.

Mr. Robichaud: Yes, Mr. Speaker, I have received a brief and I will have a meeting with the delegates between five and six o'clock this evening.

Mr. Pugh: Has the minister already studied the brief? This is very important.

Mr. Robichaud: Yes, I have been studying the brief for some time as I received a letter from the secretary of the group advising me of the points that would be raised this evening.

Mr. Frank Howard (Skeena): A supplementary question, Mr. Speaker. Inasmuch as nearly all the subject matters in that brief have been pending for the last two years, I wonder whether the Minister of Fisheries would mind referring the matter to the decisive Minister of Transport so that we may get some decisions.

JUDGES ACT

INQUIRY AS TO PROCLAMATION OF AMENDMENTS

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, after the correction made by the hon. member for Timiskaming I have a non-shocking question for the Minister of Justice. Has the minister received a request from the Attorney General of Nova Scotia to proclaim amendments to the Judges Act, and if so what action is being taken?

Hon. Lucien Cardin (Minister of Justice): Mr. Speaker, I understand that this question is on the order paper, and it will be answered in due course.

[Mr. Barnett.]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Minister of Transport. Is the minister aware of the blame placed on him by the Minister of National Defence with regard to supplying weather information at Rankin Inlet last December?

Hon. J. W. Pickersgill (Minister of Transport): No, sir.

• (3:20 p.m.)

SUPPLY

The house in committee of supply, Mr. Rinfret 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 $2,560,-546,715 for the purposes of votes 1, 5, 15, 20, 25, 30, 35, 40 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 $1,044,262,000 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 in respect of assistance rendered to the United Nations, any party of the North Atlantic Treaty Organization or any provincial or municipal government, $5,204,855.

Mr. Starr: Mr. Chairman, may I make a suggestion to the government house leader in view of the fact that the Minister of National Defence is not present for the consideration of his estimates this afternoon? I realize that he is expected to return but it is doubtful when he will arrive. May I suggest that the government consider standing the estimates of the Department of National Defence temporarily and perhaps we could go on with the Department of Justice. I know that the Prime Minister has been waiting to make the statement he promised to the house on the Spencer case. If this course were followed he might be released to attend to other pressing duties. Could we have agreement on that suggestion?

Mr. McIlraith: Mr. Chairman, we had expected the Minister of National Defence to be here by now. His plane must have been delayed.

Mr. Fairweather: It must be one of those F-5's.

Mr. McIlraith: The Minister of Justice is here and if this is the wish of the committee

we are content. I am told that the Minister of National Defence is just arriving and I should like to check on that. Perhaps we could proceed for a few minutes.

Mr. Alkenbrack: Mr. Chairman, I do not wish to speak for very long, but I intend to take up the case of the volunteer militiaman and the local armouries. In the past these armouries have been training centres for the militia. Many of the militia units have been disbanded and the armouries have been closed. For example, the armouries in Napanee and Picton have been closed and are up for sale.

The Deputy Chairman: Order, please. The Chair has some difficulty in hearing what the hon. member is saying. Hon. members on both sides of the house should refrain from loud conversation and conduct their conversation in undertones.

Mr. Alkenbrack: Thank you, Mr. Chairman. As I was saying, many of these armouries which have been the headquarters for our volunteer militiamen in the past are being closed. Ever since confederation this country has depended on volunteers for defence. The policy of this government has been to adopt something untried, something I do not believe will serve us well in the future.

Since the minister adopted the policy of tearing down these local armouries he has built an elaborate, multi-million dollar armoury in Toronto. He would, of course, close and tear down the armouries in Picton and Napanee. I wonder what the reason for this is. The Prime Minister can go to Vancouver and very suddenly announce that he will give $2 million for a rink in that city. However, he has done nothing for the volunteer militia in the small towns of Ontario.

In perusing the minister's speech last night I noticed, and I want to bring this to the attention of all hon. members, that he did not say one word about the volunteer soldier, nor did he say one word about the volunteer units which have always been a part of the defence of this country. It seems to me ironic that in this very building, a part of which is dedicated to remembrance of those volunteers who have fallen in the defence of this country, and indeed within the shadows of those stones which are solemn to their memory we should be obliged to speak in defence of the principles for which these men stood and the facilities that made their service possible. We should recall that it was the local armoury that made the service of these volunteers possible. I believe it is as accurate a statement now as it has been for many years past that Canada's defence is based on the hypotheses of a small but intensively trained regular army to act as an instructional cadre for citizen soldiers forming a well trained and competent militia which can be brought quickly to full strength and training in time of war.

Modern weapons and their technology have complicated the soldier's equipment and his drill. Surely, however, the will and the skill to defend is still the most important defence and deterrent this nation possesses. How can we foster these talents without a continuous emphasis upon proper training of our youth within the various localities as a healthy and normal activity in conjunction with home and school? Surely we all agree that for many years past the local militia units and the armouries in which they have trained have stood for that will and that skill. Indeed, they have been the only means of implementing the nation's determination to act when faced with the hard shock of war.

In my own constituency the two militia units at Picton and Napanee have been disbanded and if I interpret the signs correctly the armouries are to be disposed of. In all likelihood these worthy buildings will be torn down. Is it true that these local units and their quarters are simply to disappear? It is well recognized and no one is going to take issue with the fact that militia reorganization is necessary from time to time. Some units must merge with others and their members must change from one corps to another and be assigned to other tasks. There would be no serious disruption if this were the case.

What has caused the storm of protest is the fact that not only have the units been disbanded but their armouries are to go as well. I have received 150 letters protesting this policy. I wonder whether the full implication of this policy is understood by everyone here? I wonder whether they really can appreciate what this means to small communities where communal activity of many kinds as well as military activity is centred around these historic buildings?

In the cities where a number of military formations exist, each with a headquarters, an armoury might be removed without greatly disturbing the overall efficiency of the unit. In a small, largely rural community like ours it is a disaster of no small consequence when these facilities are removed. We should remember that the rural communities con-

tributed the greatest number of volunteer militiamen per capita in this country. People should fully realize that, no matter what conditions may exist or for what reason the decision is made, if an armoury is destroyed the military training associated with it and all that it means is forever destroyed in that community. It is a dead issue and cannot be revived. The minister never knows—no minister can know—the day upon which he may feel obliged to call for volunteer service in rural areas as well as urban areas throughout the country.

• (3:30 p.m.)

The most serious aspect of this matter is the fact that the tradition of voluntary military service vanishes with the discontinuance of the armouries. Make no mistake, Mr. Chairman, the voluntary participation by our young men in military service, the chief characteristic of Canadian defence, starts first in the armouries across the land. I would ask the minister where he would have these young men drill. On the market square? If voluntary participation does not commence when these boys are at school, then volunteers will not be available the day war is declared.

Coming back then to the young men now engaged in militia training I ask, what of their disposition if the present plans are carried out? On my last visit as a spectator on training night at the Napanee armoury I counted a total of 34 men of all ranks on parade on the drill floor. I have made some independent inquiries in several centres, regarding the number who turn out for training and I find that the figure I have quoted represents an exceptionally good turnout and indicates a healthy activity. Obviously this is not a unit existing only on paper. It is not a unit which can reasonably be discontinued and crossed off the list as is the case with many units in cities which, as we know, exist on paper only. This is a group of young men who have volunteered for military training, the youth that we are talking about and on whom Canada depends in the extremity of wartime need.

By what means did the Department of National Defence measure an effective unit when it decided to obliterate the unit I have described and to decline the service of these young men? What it amounts to, Mr. Chairman, is nothing less than an insult to these volunteer militiamen.

What makes their position even more critical is the fact that as soldiers in uniform they cannot make representations on their own behalf, as can individuals employed in a civilian capacity. These young men are soldiers and they must quietly accept any disposition made of them by a higher authority. Furthermore, many of them are quite young and the full implication of this action has probably not struck them yet and perhaps never will. All they know is that they like military training, and they are at an age when they can best receive and assimilate it. They are also acting in the tradition of their fathers and their grandfathers.

Let me tell you this, Mr. Chairman, with every moral certainty that it is the truth: Now is the time that these young men can best be moulded and directed. If you decline their service now you may never have them again except at disastrous cost, a cost too great for Canada to afford.

I have no way of knowing how many men have passed through the armouries I have mentioned both in peace and in war, but I do know that the number must be staggeringly large. I know that a respectable number of militiamen were under training in Napanee and Picton. I also know that in the past five years 100 youths have successfully completed the summer recruits training course in both these towns. I only wish we might all find as much enjoyment and enthusiasm in our work as my brief observation of these boys indicated to me that they have in theirs. If I can make any plea at all for these young men and for the young men who will follow them year by year, I will consider it a privilege to do so.

What possible invention could ever fill the need for men if our armouries are dispensed with? The answer is that nothing can replace them. As I asked the minister before, where are these young men going to train in case of necessity? On the market square or outside the town in a field?

Overcrowded schools and overburdened teachers have led to a rapid and dismaying decline in cadet training in our schools and with conditions as they are it is hardly likely that cadet training will reappear in any strength. Even at its best it was too brief and superficial to be of lasting use or interest. Therefore this lends strength to the case for volunteer training of adults past student and cadet age as soldiers. No, Mr. Chairman, there is no alternative to local militia training in a properly equipped and regulated local armoury. History has shown us that Canadian fighting men trained by this system have been the saviours of Canada.

I would remind the minister that it is the militia which fights the wars. The professional soldier trains the militiaman and it is he who fights the wars. The role of the permanent force is to train these militiamen. On behalf of the people of Prince Edward-Lennox, on behalf of the youths who are voluntarily training and their parents who know the worth of this training in ensuring the development of alert, strong young men and women with high morals and character, I strongly protest the nefarious and negative policy of the minister and his department of abandoning these volunteer units and closing and disposing of the venerable buildings in which these young people have trained.

Mr. Brewin: Mr. Chairman, I had not intended to participate again in the discussion in committee but as I was not able to be here last evening I read with some interest the remarks made by the minister in which he purported to answer some of the questions asked during the course of the debate. It seems to me that he answered all the easy and superficial questions but completely ignored the more serious questions which were asked. I am going to ask him some of these questions once more in the hope that somehow he may be roused from the generalities in which he indulges so easily and persuaded to tell this committee some of the facts about what is being done by his department.

I asked him before and I ask him again, what force goals did Canada commit itself to in the recent discussions of the NATO council? Did these force goals involve the continued maintenance of the brigade group in the forward lines of NATO? Did the force goals to which we are committed involve the continuance of our obligation to maintain our strike reconnaissance force and, if so, for how long, one year or longer? Did the minister or any representative of Canada at any time during these discussions question the continued reliance of the NATO forces on a tactical nuclear response to any trouble which may emerge in Europe? Was there any discussion or suggestion on the part of Canada with regard to withdrawing our brigade group into a mobile reserve, a proposal made, I remind the minister, by the military commanders of NATO as long ago as 1960? Was this a part of these discussions or was it ignored?

Were any proposals made to end our reliance upon the tactical nuclear air strike forces in Europe and to substitute some other less vulnerable strike reconnaissance force? I appreciate the fact that the minister has told us in the White Paper that he proposes to phase Canada out of these operations or to see to it that we do not get involved in them again. Was there any question about the substitution of a less vulnerable response to deal with such a situation?

• (3:40 p.m.)

In short, Mr. Chairman, I should like the minister to tell the committee frankly whether he or his government have done anything at all to carry out the pledge made by the Prime Minister before the election of 1963, or perhaps it was 1962, that Canada would negotiate out of the tactical nuclear role. Has any single step by way of notice, by way of discussion, by way of proposal in the NATO council to our NATO allies, been made to redeem this pledge? Or is it the fact that we are continuing precisely in the same roles that existed before this government took office? I suggest that instead of indulging in generalities such as, "We are in favour of a viable force," the minister should answer a few of the questions that have been asked him. When he says that at the NATO council we have realistic and attainable goals I hope that is correct. I hope they are realistic and attainable and, further, I hope it is not necessary to discuss that. But why must he tell us that "We are in favour of this" or "We are in favour of that" and other such meaningless generalities?

I suggest that if the house is to have any real knowledge or any real discussion as to where our defence policy is going members of the house require answers to questions that have been asked instead of being given the generalities that have been handed out. This is not the place for press releases.

Some hon. Members: Hear, hear.

Mr. Brewin: The House of Commons is the place for facts. Let us hear from the minister in regard to these matters.

Mr. Hellyer: Mr. Chairman, after reading what the hon. gentleman said there is one observation I might make. It is that I do not think he has recently read the white paper and therefore does not know what we are doing by way of policy in this country.

Mr. Diefenbaker: Does that relieve you?

Mr. Hellyer: In so far as the specifics just raised are concerned, the agreement at the moment is that the country's annual return to the NATO inquiries will be the force goals, for this year. That is the situation. There are

no commitments beyond that. In other words, at this moment there is no firm, hard commitment beyond the end of the year, although there are the realities of (a) requirements, (b) the equipments that we have and, (c) the deployment of those equipments and the training that has gone into them. To be more precise, this means that for this year the brigade remains in the forward position in the same role that it has had in the past few years and that the air division, including its headquarters, for this year remains in precisely the same role and precisely the same locations that it now has.

Further discussions by the council of ministers this year, which plans to meet at least two or three times because of the programs of inquiry that are necessary to consider what is best for future years, will include the question of the goals and what the Canadian contribution toward these goals will be for 1967 and for subsequent years.

Mr. Brewin: With all due respect I still do not understand. That is not clear.

Mr. Lambert: Mr. Chairman, last night the house was treated to a spectacle. It was a performance by a minister such as I have never before seen in this house. It was a cheap, tawdry affair.

Some hon. Members: Hear, hear.

Mr. Lambert: It was quite unworthy of a minister of the crown.

Mr. Winkler: It was a real press show.

Mr. Lambert: The prepared speech, prepared in part perhaps by the minister, was, it seems to me, prepared merely to furbish the image that has been created at great effort and great expense of a boy wonder, of a sort of miracle man who is of clear eye and tight of rein at the helm of a new technique of defence.

Mr. Hellyer: Have you read the speech?

Mr. Lambert: I have only read parts of it. I have read those "flack" pieces that one sees in various publications in this country and abroad.

We heard a speech and, if it was not full of invective, full of boastfulness and little else, I do not know what it was full of. Frankly the house was expecting some hard facts and answers to very important questions. After all, the minister acknowledged that his department's estimates and his policies have not been discussed since 1964. Many important decisions have been taken in the interval. When we wish to examine them what do we get? We get a snide, scurrilous attack on the hon. member for Calgary North, a predecessor in office to the Minister of National Defence. I shall also refer generally to other ministers of defence almost all of whom were ministers of the Liberal party and to whose knees the present minister could not even aspire to come when one considers the decisions and contributions to this country made by those predecessors.

Some hon. Members: Hear, hear.

Mr. Lambert: When the Minister of National Defence talks about rubberstamp ministers, does he refer to the Hon. Brooke Claxton? There has been a whole succession of ministers and surely he does not refer to them all as rubberstamps. I refer to Hon. Ralph Campney, Hon. George Pearkes—

Mr. Hellyer: You are misquoting.

Mr. Lambert: —and the hon. member for Calgary North. Were they all rubberstamps?

Mr. Hellyer: You are misquoting.

Mr. Lambert: What does the minister mean by that statement? Does he mean that the advisers to the Minister of National Defence have been so dominant that ministers have been subservient to them? That is the only interpretation I can get from the use of the word "rubberstamp". Does he mean that a minister's own advisers in the department have made recommendations and that the minister has supinely brought them before cabinet, the members of which then concurred? We are told that there was indecision, ineptitude and stupidity. Is this the way the minister thinks of those with whom he was first associated as parliamentary assistant?

I will mention some names. Was he referring to men like Air Marshal Slemon? After all, we know that Air Marshal Slemon was one of the chief advocates of the CF-104 and the Bomarc. Was this one of the stupid decisions? What about Air Marshal Campbell? Was he another one who was ineptly stupid? What about Air Marshal Dunlap who is now the Canadian representative at Colorado Springs? What about Lieutenant General Graham? What about Lieutenant General Charles Foulkes? What about Lieutenant General Walsh? What about Vice-Admiral deWolfe, and Vice-Admiral Rayner? Among these I have cited a number

of men who have retired. What about the man who is presently chief of the defence forces, Air Chief Marshal Miller?

• (3:50 p.m.)

He was first a deputy minister and a most respected and trusted adviser. He then became chairman of the chiefs of staff committee. Again, he was a most senior adviser to the minister and to the government. Now he is the chief of the defence forces. When the minister says his predecessors were rubberstamps he indicates that these men whom I named dominated their ministers.

Then we come to this beautiful phrase written by somebody who had more invective in his soul than sense. I am reading from page 1567, quoting the minister as reported at the foot of the page, the second column:

> —in 1961 and 1962 when that hon. member was Minister of National Defence and when his government's defence policy was known only for its procrastination, indecision, ineptness and downright stupidity.

These were the men who were advising the government of that day. These were the men for whom the ministers were supposed to be rubberstamps. Now we have a bold, new approach. This minister is not going to be a rubberstamp. Does he mean then that he is rejecting the advice of these senior advisers, some of whom are still the minister's military advisers? If senior military advisers give advice which is concurred in by a minister and the minister can then be described as a rubberstamp, what does that make these men today when the present minister says: "I am not going to be a rubber stamp"? One might almost be tempted to say that the gold braid is about to adorn the corporal's stripes.

This speech, to me, was wrong. Certainly one can hit hard; one can criticize. But the hon. member for Calgary North, the former defence minister, did not indulge in personalities with regard to the present minister although the temptation must have been great. While I may be conducting a direct attack here I do so in defence of a well established practice, crying out against this form of attack.

The minister was living up to form when he was over here on this side of the house and was defence critic. We saw some ineptness then. There was that famous speech of his in 1960 or 1961 which was given to the press—a bold new defence policy. The speech was never delivered but it appeared in the press. This was the sort of non-stupidity to which we were to become accustomed.

I want to give one example of the so-called bold decision-making by this minister who charges others with indecision. It relates directly to the CF-5 aircraft. Late last fall and in the early winter kites were being flown to test opinion with regard to this new aircraft which was to be purchased. The minister visited the R.C.A.F. Association in Edmonton late in February and of course he was invited to speak. He told them about this great new plane which was to be bought. A decision, he said, was to be taken within the next few days. As a matter of fact, it was to be taken early in March.

I asked the minister about this when he came back. He said "Yes, we are going to take a decision soon, within the next few days". After some time had passed I asked the same question again. Again the reply was, "Soon". When was the decision made? Some time after parliament had been dissolved, in September when there was no chance to examine the decision. We know it was not so much the political advantage to be gained by announcing this purchase after parliament had been dissolved which motivated the minister and the government; it was the fact that they could not make up their minds about this aircraft.

Delay may be legitimate. This is a major step to take. There are many factors to be considered. But surely to goodness the minister also knows that on other occasions too there are many factors to be considered. I recall hearing in this house his extravagant phrases when he was in opposition. That is why I wish to nail down this speech of his for precisely what it is worth.

Why would we get such things as this in a newspaper report by some reporter who has not been present in the press gallery for any length of time? How did he get this copy in time to write this article for an early edition of the *Globe and Mail*? I wonder.

Mr. Churchill: Explain that.

Mr. Lambert: This is the opening paragraph:

> Defence Minister Hellyer turned on his critics last night and slapped them all round the ring.

Some hon. Members: Oh, oh.

Mr. Lambert: When it comes to slapping critics around the ring the minister is indulging in a little toy game with toy soldiers. That is all. We have listened to a lot of the criticisms made by the minister in the past. "Slapping critics around the ring?" In this house? This minister?

We still want to get the answers and I suggest to the minister that it is far better for him to give them if he anticipates getting his estimates through. This is the sort of thing the minister wanted when he was sitting over here in the past. I did not question his motives when he wanted information then. Ultimately he got it. The hon. gentleman could be a little obstinate, a little difficult. That is why we are being a little difficult at the present time. We want this information. The minister is asking parliament to commit itself to a vast program of expenditure, a completely new program so far as the CF-5 is concerned and a completely new program so far as the destroyer escorts are concerned. As the hon. member for Greenwood said, we want an explanation. We do not want these glorious generalities.

Let the minister tell us what is in his mind with regard to all these matters. We are entitled to this information. The government's defence program must be assessed on the basis of the reasons, the rationale, advanced. He makes statements about the navy which none of us are prepared to accept merely on the strength of his say-so. Already he has obscured a number of factors. He has obscured the requirements of SACLANT. All these matters have been raised and the best course for the minister to follow is, I suggest, to take these questions seriously and give factual answers. Had he done so earlier we would have been through with this discussion a long time ago. I would have thought the minister had been around parliament long enough to know that the type of speech he made last night is not one calculated to get his estimates through with dispatch. He should know that, or is this part of the new boy-wonder conduct?

• (4:00 p.m.)

I am going to yield the floor to the minister to give him an opportunity to answer now about the mobile command. Let him give us the rationale for the CF-5 and not just simply say it is a cheap aircraft that might land on certain length runways. That may be the case but we have not seen it yet. There are some modifications to be made. It will not take to the air until next year. It will be quite some time before it comes into use.

We want to know the reason for the change to tactical air support for our ground forces. Why does this make our forces more mobile? It may add another arm to their effectiveness but we want to be able to judge that on the basis of the information and the reasons advanced by the minister.

We also want to know a great deal more about our performance so far as SACLANT is concerned and also about the reorganization of the Maritime command. A great deal of credit is claimed for the fact that this is all going to be under one man. Let the minister explain the reasons that he feels this should be so and not just give a mere statement that such steps are going to solve all our problems. On that basis I now invite the minister to give us the answers and then we can get on with his estimates.

Mr. Hellyer: Well, Mr. Chairman—

Mr. Muir (Cape Breton North and Victoria): No nonsense, now. Get down to earth.

Mr. Hellyer: Always. On item No. 1 it is quite appropriate to discuss general matters of policy and philosophy so far as defence is concerned and I am quite prepared to do that. But when it comes to matters of detail I think we should pass on to item 15 when I can have the officials before me and answer any specific questions hon. members would like to ask. The philosophy behind the mobile force is very simple. It is out in the white paper—

Mr. Lambert: Oh, oh.

Mr. Hellyer: I really believe hon. gentlemen should reread it because there is a lot of good information in it that is just as valid today as when it was written. The philosophy is that in the world of today the likelihood of limited conflagrations, riots, insurrections, small wars and the overthrow of civil governments will continue as has been the case for the last 20 years. These things can occur in any part of the world and from time to time it might be in the real interests of this country to send a force of some kind or to participate in either a United Nations force, a Commonwealth force or together with any other group of nations with like interests. Therefore it is the capability to do this, to have forces which are air portable, with equipment not just to training scale but to a scale for fighting if required, which we are planning.

Probably of equal importance to the equipment that such forces must have is the strategic mobility to get them to their destinations, both sea and air mobility, air mobility to transport a force or what part of it is required in the shortest possible time and then sea mobility to bring such heavy equipment and support as may be required if the

particular operation or mission is of an extended nature.

This is the philosophy of mobile command and it is being organized in such a way that a single commander will have the responsibility for the whole mission, for the training of the group, for exercising them in different component blocks, for having with them the support elements which may be required to be extracted from time to time and made available for United Nations operations, for training them in such a way that they are ready to respond with the least delay, for having a ready force which is always available to go anywhere in a matter of hours' notice, a company at least with an almost instantaneous reaction time, a battalion with a very short reaction time and then an air portable brigade with a very fast reaction time.

This is the philosophy and this is the reason the force is being mobilized in this way. This is the reason that the force is being equipped because if we are going to maintain an army on the scale which I think is right under present circumstances, we believe that having learned the lessons of pre-world war I and pre-world war II it is right and correct to maintain a force in being of this modest size. And if it is worth keeping, if it is worth paying the cost of maintaining it, then certainly it is worth providing the equipment. Then, having done that, it is not effective at all unless it is possible in this modern world to take it where it is required and when it is required within a reasonable time frame.

This is not easy. My hon. friend was quite right when he said last night that this is not yet accomplished. No one claims it is accomplished. It has just been organized and now it is starting out on its task. When the Standing Committee on Defence meets I shall be glad to bring before it the officers who were responsible for evolving this particular organization who will explain in detail the units of which it will be composed, the reaction time which we hope to achieve, the equipments that are needed in order to make it effective, the whole concept of mobility, how these forces will be working together under one command and at the same time from which one can extract any block or unit which is required to meet special circumstances.

So far as my hon. friend's question about the tactical air force is concerned this is, as he suggested, an addition. This is another arm. This is extra firepower. This is more effectiveness because these airplanes can do things artillery cannot do. It is to round out the force and give it greater capability to operate under the various environments that we envisage. It does not increase its mobility. The object of the exercise, and this is all we intend to meet, is that the air arm will have as good and probably better mobility than the ground force it will support. That is all that is required for the concept we have in mind. We will be able to move the ground elements and the air support simultaneously so that they are ready to go into action in either peace keeping work or a limited engagement.

There is no guarantee for all time that it will not be necessary for our defence forces to engage in some limited emergency. If that is a possibility, even a remote possibility—my hon. friend will remember it has happened several times in the last half century—then the object of the exercise is to learn from the mistakes of the past.

Last night my hon. friend was interjecting things about Hong Kong and he also mentioned Sam Hughes. He might have mentioned the problem of the Ross rifle, the problem of training soldiers with broomsticks and a lot of other things which one can recall to mind.

Mr. Nielsen: Like horses on the payroll.

Mr. Hellyer: Yes, horses on the payroll. That is right. There are a lot of things that could be recalled to mind, but surely there are some things that ought to be learned from the lessons of history. If my hon. friends opposite think they are the wrong lessons from history, then let them tell us.

Mr. Churchill: Will you answer a question, Mr. Minister?

Mr. Hellyer: Of course.

Mr. Churchill: Did you observe the fact that last night I pointed out that in 1954, which is a long time ago, I outlined the mobility required for a brigade in Europe? It is not a new idea on your part at all and yet you have not fulfilled that obligation.

Mr. Hellyer: I want to make it very clear that I do not claim credit for the idea.

Mr. Churchill: I am sorry, I thought you did. I beg your pardon.

Mr. Hellyer: I do not claim credit for the idea of tactical mobility and flexibility. I do not even claim credit for the idea of integration and unification or any of these things. Some of these ideas are 20 or 30 years old.

Mr. Churchill: This humility is refreshing.

Mr. Hellyer: But I do say that we might claim some credit for getting on with the job of accomplishing some of these things and in this area I think our record has been pretty good. The idea of integration of armed forces is 20 or 30 years old but only now for the first time is somebody seriously embarking on it. My hon. friend had a chance when he was minister—

• (4:10 p.m.)

Mr. Horner (Acadia): Would the minister permit a question in respect of unification? Would he answer the question of the hon. member for Winnipeg South Centre last night. What does he mean by unification? Does he mean one force, one uniform? Would he explain this more fully?

Mr. Hellyer: Unification means one force. I think this is understood.

Mr. Horner (Acadia): One uniform too?

Mr. Hellyer: I think my hon. friend will agree there can never be one uniform that would cover all situations.

Mr. MacEwan: The kilt?

Mr. Hellyer: Yes, I could envisage no force without a kilt and I know my hon. friend would agree. I am quite happy to have the opportunity to answer hon. members' questions but, I would suggest that we might pass item one and get on with item 15.

Mr. Churchill: Why did you not come to the house in time today? Why were you in Toronto?

Mr. Horner (Acadia): There was the press release.

Mr. Diefenbaker: Mr. Chairman, the house will have viewed with pleasure the change in attitude of the minister since last night. I have known the minister over the years. I have heard him make statements of various varieties but I doubt that at any time any minister has done a more thorough job of casting doubt on his administration than he did last night by the arrogance and insolence of some of his statements and by his aspersions on those who had served as successive ministers of defence, coupled with ridicule and contemptuous utterances. I cannot imagine anyone, no matter how much he might disagree, casting specious and contemptuous aspersions against ministers like General George R. Pearkes, V.C., C.B., D.S.O., M.C. Yet that minister, as well as some of his successors, was mentioned. Mention was made of Hon. Brooke Claxton, D.C.M. These ministers were rubberstamps; these ministers had no backbone; they had no appreciation of the needs. When one sets himself apart in that way as belonging to that select group who are certain that whatever viewpoint they hold is the right one, naturally a review of some of the statements made in the past by the hon. gentleman would not be remiss, because he was just as certain then as he is now.

The minister's attitude last night as I read *Hansard*, and I was not privileged to be here last evening, was that he would answer when he got to the standing committee. Mr. Chairman, he is going to answer here and now the questions of importance. If he has any idea of anything to the contrary, he will learn differently. His attitude toward this house and the committee was one of supercilious contempt. Today he has started to answer questions. If he follows that course, we at least will know what he stands for. His extramurally prepared document of last evening was not such as will commend itself to him, I am sure, in the years ahead. It certainly will not win the approbation of this house. Members endeavouring to obtain information were met by an attitude of pompous bluster. What does the minister say?

Mr. Hellyer: It is in the script.

Mr. Diefenbaker: Any time the minister wishes to interrupt I hope he will let me hear the interjection because I do not want to miss any of his words. I do not want to read his words in *Hansard* and not have the opportunity to answer.

I should like to deal with a situation at the moment which will commend itself to the Associate Minister of National Defence. It has to do with a serious situation in the area surrounding Valcartier. There is a village there by the name of Shannon which has been in existence for 100 years. The Quebec *Chronicle-Telegraph* and various people in this area have been in touch with me. I very seldom quote an editorial but I am going to quote this one in the issue of February 17:

> Some 100 residents of Shannon face the prospect of being dispersed to the four winds. This is a fact about which little has been said either here or in Ottawa. . . . Their land was needed for enlarging Camp Valcartier, they were told. About 25 families have been told their land is due for expropriation . . .
>
> Shannon's residents do not doubt they will be paid compensation. What they object to is being pushed around. They cannot understand why an army in peacetime, has to dispossess people in order to provide more room for itself. If this were a

small country with space at a premium, such a procedure would perhaps be normal. But there's a lot of land in this country. Camp Valcartier could be extended in some other direction without having to disturb the lives of so many.

To Ottawa, the whole business becomes an impersonal operation. Leo Cadieux, associate minister of defence, even allows himself a grim little joke; he refers to the 10,000 acres of Shannon land that his government is planning to expropriate as the Shannon Corridor which the army must take.

This is not a joking matter. This is an attitude toward Canadians which cannot be justified. They have been living there for generations. Why are they to be shoved out finally?

The future is very dim for the 100 or so persons facing eviction. Many of them are too old to begin learning a trade. Others know nothing but farming. It is highly unlikely they will ever be able to buy enough land to settle down again as a community. . . . . Shannon is not just a matter of dollars and cents as the letters from Ottawa suggest. It is a human problem. The federal government is trying to work its Operation Shannon Corridor by remote control . . . . Surely, somebody at Ottawa, must care.

I ask the government to look into this further. There can be no justification for an Irish dispersal of this kind. There are other portions of Valcartier which could be used for the same purpose.

• (4:20 p.m.)

Surely those who opened up this country, the pioneers who have been there for generations and whose ancestors came even before the potato famine, are entitled to be treated in a way that has not been accorded them. I ask this government and particularly the associate minister not to make grim jokes about their situation by referring to it as the "Shannon corridor". These are human beings, they are Canadians and I hope this government will have some recognition of the inhumanity—of the "inhumanity" I repeat—that is inherent in a mass evacuation from an area when there is land available on either side which is not settled. I will say no more than that, but I am going to come back to the subject again tomorrow to find out from the minister what is going to be done for these voiceless Canadians. They suffer the indignity of a community being shoved and pushed about with no regard paid except a reference that can only be interpreted as not being in keeping with the seriousness of the matter. I want to deal with certain things now because the minister saw fit last night to give us what might be called in official language a tour d'horizon. He covered everything; he went back over nuclear weapons and Bomarcs and spoke as one who had always been blessed with that superior wisdom voiced by him last evening.

What did these former ministers know and who are these people? Mounted on his steed of knowledge, their problems are nothing to him. Let us look over the situation. There was petulance in his words and obvious contempt in his attitude. What has his record been. I am not going back to the time in 1960 when the house had the added advantage of being able to read his speech while he delivered it because he had turned it over to the press in advance, but at that time the minister did not get all that he thought he would get. He read his speech, and I remember how impressed we were with the emphasis on applause and one thing and another described in the account. It was tremendous, and the minister admits it, because never before had he ever received so much applause as he received then.

The minister went into a lot of detail last evening about the past but everything has changed now. Everything is "B.H.", before Hellyer, and "A.H.", after Hellyer. That was the story and I have read every line of his speech. I found it tremendously revealing. I would not say it was informative but it certainly was revealing as to the change of mind. Let us go back now and find out what he said with the same certainty in 1960 as he now reveals in 1966 but with a different amanuensis. This is more or less the prelude. On August 4, 1960, as recorded at page 7572 of *Hansard* the minister said:

If we believed for one moment that the Bomarcs provided any real protection, with or without nuclear warheads we would concur in their use, but we do not believe so.

You cannot get more authoritative words than those. He then said:

On the contrary, we think they are nothing but an added liability. We think they would put in jeopardy the survival of the people in the immediate area because they would in fact become one of the few priority targets in the country.

Six years ago they were targets, six years ago they were in danger areas. However, six years thereafter these missiles are in existence under the authority of this government.

I do not want to pick and choose but I want to keep the record straight in view of the fact that the minister has a mind with definite views. On September 13, 1961, the minister said, as found on page 8296 of *Hansard*:

A dozen Bomarc squadrons and a dozen squadrons of Voodoos would not begin to provide us with any protection.

Then he frightened everyone when he said:

As a matter of fact, the fall-out from these so-called defensive weapons alone, if they are equipped with nuclear warheads, would be sufficient to wreck tremendous havoc amongst our civilian population.

Was he speaking the truth then or was he merely talking? Let us carry on because we want to get the complete record. He said:

No, Mr. Chairman, we have no protection from these devices; we are as exposed as Babes in the Wood.

I remember him saying that and it was frightening. What a picture he created with all the certainty of his ideas as he presented them. Let us go on, because these are literary master-pieces. First he frightened us with fall-out and then he said they were no good; now he keeps them.

On September 15, 1961, as recorded at page 8431 of *Hansard*, he said:

It is our opinion, therefore, that it is not necessary to have two Bomarc squadrons, nor is it necessary to arm our defence squadrons with nuclear weapons.

At least then there was consistency, but suddenly he changed his mind. What did he say after three years of denunciation? On February 4, 1963, he said, as recorded at page 3429 of *Hansard*:

Mr. Speaker, as of this date, I have changed my mind.

What brought about that change, because there was a metamorphosis of that definite, knowledgeable mind? Let us read on because I know the minister is anxious to have the record of what others said about him after his change of view. I intend to place their views on the record.

Mr. Charles Lynch on July 14, 1965, as reported in the Ottawa *Citizen*, revealed what took place. He was referring at the time to the Heeney-Merchant doctrine that was enunciated, that Canada in relation to the United States should be seen and not heard. Certainly we have had some wonderful examples of that in connection with guide lines and the like in respect of which Canada did not speak out.

Dealing with the declaration of the former ambassador, Mr. Merchant, this is what Mr. Lynch said:

Mr. Merchant will claim that he had nothing up his sleeve and that he practised no sleight-of-hand on our Mr. Heeney. If Mr. Heeney's striped trousers are missing, Mr. Merchant will plead innocence. Just as he did when, years ago, he was secretly briefing members of the Ottawa press corps against the anti-nuclear-weapons policy of the then Diefenbaker government.

[Mr. Diefenbaker.]

• (4:30 p.m.)

I wonder whether the minister was one of those students who received the inoculation that brought about the change of viewpoint and heart. I ask him to deny that and say he was not in touch with Mr. Merchant, the United States ambassador. He has every opportunity to deny it now but there will be no denial. Was he briefed on the manner in which to undermine the government because that government would not bow to the determination of another state?

Some hon. Members: Shame.

Mr. Diefenbaker: Listen to this, Mr. Chairman:

Nobody who attended those basement sessions will ever forget his—

Mr. Merchant's.

—earnest logic and "good-sense" approach as he administered the hypodermic.

Certainly Mr. Lynch reveals that those who were of the elect were given instruction on how to answer the government of that day. And I have something more. There were meetings that took place in Ottawa in the offices of officials of the United States. At those meetings there was first the entertainment—they were given lunch and the like—and thereafter full instruction as to how to answer. That is why I gave the minister an opportunity earlier to deny that he had been in touch with Mr. Merchant.

Mr. Hellyer: Mr. Chairman—

Mr. Diefenbaker: He wants to deny it now.

Mr. Hellyer: —I should like to deny it. I had not heard of it until I read of the dialogue between Mr. Charles Lynch and the right hon. gentleman. That was the first I heard of it.

Mr. Diefenbaker: I am not talking about the minister hearing dialogue; I am talking about his hearing what Mr. Merchant said.

Mr. Hellyer: I deny that.

Mr. Diefenbaker: I am pointing out the fact that it is a singular circumstance that the minister turned a complete flop from one stand he had adopted for a period of years and suddenly changed just at the time the American ambassador was giving Canada the hypodermic treatment on Canada's policy. Let me pursue that matter, Mr. Chairman. What do some of the followers of the hon. gentleman say? I have before me a few quotations that are of interest. They reveal that this was

normal. I have before me the viewpoint expressed by the Parliamentary Secretary to the Prime Minister. This also was "B.H.", before Hellyer. Let me read what he said, because he has been promoted:

For a long time, it has been clear—

I am reading from *Cité Libre* of April, 1963, and this is the translation:

For a long time, it has been clear that the U.S.A. did not like Mr. Diefenbaker. From the beginning, he had proposed to strengthen the ties with the Commonwealth and decrease those with the U.S.A. . . . He had chosen an External Affairs minister who loved peace more than he loved the Americans. He was selling wheat to China . . . traded with Cuba . . .

Mr. Kennedy's hipsters could not tolerate this . . . The word was passed around, Diefenbaker must go.

These are not my words. These are the words of an hon. gentleman who today is in the shadow of the Prime Minister. I read on, Mr. Chairman, because these revelations are extremely interesting. They are honest revelations, because the hon. gentleman is just that. He said:

So it was easy for the Americans—

These are not my views; these are the views of the Parliamentary Secretary to the Prime Minister of today:

So it was easy for the Americans to give a helping hand to defeat a government already wavering since the first day after the election.

The helping hand came from the Pentagon, and demanded that Mr. Pearson betray his party program—

Mr. Nielsen: Sold out.

Mr. Diefenbaker: I did not utter those words. They were from a man who was brought in by this government. He is not the only one but I do not want to cover everything in one day.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: But, Mr. Chairman, I do want the record to be clear so there will be no misunderstanding. He said:

The helping hand came from the Pentagon, and demanded that Mr. Pearson betray his party program, along with the idealism with which he was identified. Funds were plentiful.

I did not say that. We knew it but we needed corroboration:

Funds were plentiful.

Mr. Nielsen: There is the reason.

Mr. Diefenbaker: This is a revealing thing, Mr. Chairman:

Gallup indicated that a pro-nuclear policy would not lose him the majority of electors. Power was within Mr. Pearson's reach—he had nothing to lose, except honour.

Mr. Chairman, those are the words of an acute observer. Then he ends by saying:

And he lost it—and his whole party lost it.

This is an amazing statement. Again, in the issue of April, 1963, we find these words:

Since I have observed politics, I do not remember ever having seen a more degrading spectacle than all those Liberals who became "turn-coats" with their Chief, when they saw a chance of regaining power... Once the leader had shown the way, the flock followed with the grace of animals headed for the feeding-trough.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: This is an amazing revelation but I do point out to some of the sycophants opposite that it indicates the way to power and position. I go on, Mr. Chairman, because there are others who made statements too. This is another one:

The events of the last month have at least one advantage.

This is again in April.

They allow us to observe very clearly the decline of Canadian political thinking.

The hon. gentleman was concerned with that too. He was one of those whose political thinking underwent that change that beggars description. Let us go on from there:

But what we have not realized is the degree of political decay we are headed for. So, Mr. Pearson and the Liberal party decided to show us; the most serious questions are only important to them in so far as the number of votes they will bring—

Mr. Monteith: Typical.

Mr. Diefenbaker: Perhaps the minister will explain that tremendous change in his thinking.

—and within that party there does not seem to be one man left for whom principles are more important than political power.

These are strong but honest words from an honest observer. Then he goes on to say:

The political philosophy of the Liberal party is simple: "Say anything, think anything: better still, think nothing, simply put us in power, for we can govern better".

This is an amazing revelation because it sets out what an honest observer concluded on the basis of things that have only been revealed in their entirety in consequence of statements that have recently been made. Then there is this:

I remember the federal Liberals of 1957. They were cynics who believed power was their right, and they had come within a hair's breadth of muzzling parliament. Six years in opposition should have had a purgatory effect on these Liberals, unfortunately the events of the last two months proved the contrary.

There is a great deal more in these quotations, Mr. Chairman, to which reference can be made on another occasion. But it is an amazing statement. We have the benefit in the House of Commons of a pundit in our midst.

Mr. Trudeau: Mr. Chairman, would the right hon. Leader of the Opposition permit a question?

Mr. Diefenbaker: Yes.

• (4:40 p.m.)

Mr. Trudeau: I seem to remember that some time in October the right hon. Leader of the Opposition, when he was asked about some of his straying ministers coming back to the fold, said to the press that the nuclear problem was no longer an issue at that time. I ask the Leader of the Opposition why he is raising this issue now.

Mr. Diefenbaker: That is a perfectly good question, perfectly reasonable. He should have spoken to the minister who took this up last night. He took it up and he filled the record with a lot of stuff last night, so I am just clearing it up. I hope that the hon. gentleman will get in touch with the minister and just whisper in his ear quietly, because it must be done quietly, to take care where you lead us.

I go on from there because these new members certainly know their stuff. The hon. minister of manpower to be—he is not here now—

An hon. Member: Yes, he is.

Mr. Diefenbaker: Oh, yes; he also took part in this testimony. This is a report in *Le Devoir*, and I am only going to give part of the quotation today because I want the hon. gentlemen to realize that these are just a few of the morsels that are available. What did this hon. gentleman say, because apparently the path of criticism leads to glory since the hon. gentleman has now become a minister? The article reads:

> Mr. Marchand deplored the extreme weakness and chronic instability displayed by the central power when the country needs a strong government capable of having a suitable dialogue with provincial authorities.
>
> The syndicate chief said that this weakness is taking on really disastrous proportions.

This statement was made last March. Certainly it is of interest to know his viewpoint. Then there is the hon. member for Hochelaga. I see he is not here. He is usually present so I shall reserve that quotation for another day. He dealt at length with this question. It is tremendously interesting, is it not, because none of these things would have come out if it had not been for the minister's decision last night to smear the opposition. All I am doing is getting the record clear.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Surely no one will say anything to the contrary when I quote Liberal members of today, the reform group. I must make a reference to the hon. member for Hochelaga because he would object if he were not included. This statement was made in October, 1965, quite recently. This was a joint effort by the member for Hochelaga and the Parliamentary Secretary to the Prime Minister:

> Without being alarmists . . . the undersigned nevertheless believe that there is a certain urgency in Canada. If federal affairs continue at the rate they are now going since the last two years, within a short time the results would be harmful to Canadian political unity.

Who was in office when they wrote that? Then, in 1963 the hon. member who daily excoriates members of this house and who sits in solitary splendor as he contemplates the failings of democracy and writes about them, said on August 17:

> Sam Lubell, political analyst, naively thought that once in power, a politician still owed a certain respect to logic and decency. He did not know Mr. Pearson; nor did he know us.

I have quite a number of further quotations and I will use them on the appropriate occasion, but I just wanted to lift the curtain a little so that the minister would know that when he attacked us last evening it made it possible to clear up the record, and not from the lips of those who sit in the opposition but those who are close to the powers that be.

After those few preliminary remarks I may say that I am going to reserve for later any attempt to deal with some of the matters to which the minister referred. I can just see him as he looked towards hon. members sitting in the opposition, whether within this opposition or those to the left, and said that morale was never higher in the armed forces. I say to the minister: If that be so, then why the letters that are received on every hand, why the fear in the hearts of people in the armed forces that unless they qualify to be kept they will be removed? The rules regarding removal are tremendously interesting.

I am going to ask the minister to table the rules and regulations that provide the basis for removing men and women from the armed forces. There is nothing in those rules that will do any harm to national security.

The members of the forces have had their hopes of having a career in the armed forces dimmed and frustrated because of the fear that, no matter how efficient they may become, the finger of the minister will be pointed to them and to their removal. They are frightened. On the one hand, the minister says that while we are not getting as many recruits as we did there are all kinds of explanations. When there was a suggestion that in order to bring back trained men and women fully able to carry out their responsibilities there should be some kind of bonus paid, the suggestion was ridiculed. Last September and October the minister ridiculed that suggestion, according to reports. Now he says he did not; he just gave an interview.

The Ottawa *Journal* of today seems to put the matter very well.

> The $50 million to be spent in re-engagement bonuses in the armed service in two years will not solve the basic problem . . .
>
> One common cause of discontent is the uncertainty caused by government policy. In the last 18 months servicemen have been encouraged to retire and paid grants to do so before their term of engagement expired. The total in the service has been cut about 15,000 in three years—and now there are not enough men, especially in categories of special skills.

Near the bottom of the article I read this:

> The re-engagement bonuses will not be enough to hold many of the most thoughtful and valuable servicemen.

• (4:50 p.m.)

I pointed out that we have had no answer from the minister regarding some of the criticisms in the Auditor General's report respecting periods of service. We would like to know who these gentlemen were who enlisted at nine years of age. That just shows, Mr. Chairman, the appeal that the minister has. According to page 55 of the Auditor General's report, during the year six cases were singled out in which officers and men were released on pension.

Mr. Hellyer: I am sure that the right hon. gentleman is not suggesting that I was minister when they enlisted.

Mr. Diefenbaker: No. But I ask the minister, does he seriously say that these people enlisted at the ages of nine and eleven? If he does, then there can only be one conclusion.

Mr. Nielsen: Present the facts.

Mr. Diefenbaker: Yes; we are here to get information. The Auditor General's report says that these people had been credited with pensionable service dating in one case from the age of nine and in five other cases from the ages of 11 and 12. I want to know who these people are.

The report goes on:

> File documentation in respect of the early service was fragmentary, statutory declarations being accepted.

Was it under this minister that these statutory declarations were accepted in order to increase the amount of pension? I ask him again who these people are. Did these matters come to his attention?

Mr. Churchill: At least his Associate Minister should know.

Mr. Diefenbaker: Certainly. There is only one real minister now. The matter has come to his attention and there will certainly be no disagreement about that.

The report continues:

> In response to an Audit Office query about the officer whose service began at age nine, departmental officers replied that while enlistment at this age was contrary to regulations, the officer had not been discharged as being under age and consequently they were satisfied that he had served.

I want to hear something about this man, Mr. Chairman. This is an officer we want to hear about. Even the honorary colonel of the Essex Scottish is interested in that. Who are these people? Speaking seriously now, what nonsense is this? This is a matter about which we want to know.

Mr. Nielsen: Horses and children.

Mr. Diefenbaker: I ask the minister, there being some retirements I do not understand, to give us a record of the number of officers in the three services who have been retired in the last three years and who received, first, $6,000 to $7,000 retirement allowance, second, $7,000 to $8,000 a year and, third, $8,000 to $10,000 a year. I want the names of those who were retired, their ranks and their ages.

Mr. Herridge: When they enlisted.

Mr. Diefenbaker: I do not think they come within this group of juveniles but I do want this information now instead of waiting for the defence committee to meet. The minister has brushed this off on other occasions; he has said: "Wait till we get to the defence committee". We want this information now and I would ask the minister to procure it.

These are just a few matters about which we want to know, Mr. Chairman. How many motor cars are there in Ottawa which were used by the defence department during each of the years 1963, 1964, 1965 and 1966 and

who is it who uses them? Anyone living in this city knows that in the mornings cars flit here and there on unofficial business. We would like to have a record in this regard. The Canadian people want to know whether their defence dollar is bringing the greatest possible return. It is no wonder that the minister of manpower to be, said yesterday that he believes in a capital gains tax.

Mr. Knowles: Hear, hear.

Mr. Diefenbaker: If hon. gentlemen opposite can win over the hon. member for Winnipeg North Centre, then they will have two of this belief.

Mr. Knowles: We will win him over to this side first.

Mr. Crouse: You have lost three already.

Mr. Diefenbaker: These are just a few matters about which I should like to know, as would the people, and I know the minister has the information available. Later we will get answers to these questions, and to other questions asked by hon. members which as yet have not been answered.

The hon. member for Greenwood pointed out with unusual clarity—I mean that; he is always clear but this time he made it pellucidly clear—that he wants information which all of us want. I would ask the minister to take off these cloaks and answer these questions. If there is one thing in military science that the hon. gentleman is qualified at, it is in creating a smokescreen to conceal facts. We want to remove that smokescreen and get the facts.

[*Translation*]

Mr. Laflamme: Mr. Chairman, I will only say a few words at this time because the Leader of the Opposition (Mr. Diefenbaker) spoke a minute ago of the risks involved for the people of my riding affected by expropriations now under way for the expansion of Camp Valcartier.

I want to tell him that during the last election campaign, municipalities affected by the expropriations knew about this expansion project and supported me in a proportion of 9 to 1 as compared with the Conservative candidate.

There have never been any constituents without representation in the Quebec-Montmorency riding, now or at any time, and the editorial writer of the Quebec *Chronicle-Telegraph* has only to inquire of the mayors of various municipalities who keep in constant touch with their representative to have their interests protected.

I merely wanted to point out to the Leader of the Opposition that, in my opinion, it is sheer play-acting and partisanship to refer to old churches when it is necessary to provide essential requirements to Camp Valcartier, an important military camp in the integration of our armed forces.

[*English*]

The Chairman: Shall vote No. 1 carry?

Mr. Horner (Acadia): Mr. Chairman, before it carries I would have thought that the Minister of National Defence would answer some of the questions put forward by the Leader of the Opposition. Perhaps he is preparing these answers, in which case I can throw in a few more questions so that he can answer all the questions at the same time.

• (5:00 p.m.)

I think the member for Greenwood posed the real question which is that this house ought to be able to assess Canada's role with respect to nuclear arms. Where are we going?

The Minister of National Defence in his reply said that he could not see beyond this year. In other words, he knows where we are going this year. From there on he has not projected his vision, he has not looked into the crystal ball, or he dare not tell this house what he sees for the future. I think the question of nuclear arms is very important and certainly this house and this country should know what our role is. Are we going to continue to have a nuclear force? Are we to continue to have a nuclear role in NATO?

In yesterday's *Journal* there was an article to the effect that President de Gaulle will order everybody out of France or take over the forces. Surely this is not news to the Minister of National Defence. He has known of this for some time because I know that the members of the armed forces in Europe have known of it for some time. What decision is the department making on this matter and where are we going with our defence policy? In the January 1965, edition of *Canadian Aviation* the minister had this to say on the second page about Canada continuing a nuclear role:

> Speculation that the Canadian forces would continue to assume a nuclear role, despite the traditional Liberal government's opposition to this course, was heightened by Canada's support of the French position of maintaining an independent nuclear force. Questioned in the House of Commons, Defence Minister Paul Hellyer said government

policy as outlined in the 1964 White Paper would be maintained "until some announcement is made to the contrary."

I want to know about the words "until some announcement is made to the contrary". The minister said today that he is not prepared to make an announcement to the contrary but he knows that we are only going to continue in our present role for this year. What is to happen beyond then?

In another edition of *Canadian Aviation* magazine, August, 1965, there is an interesting statement with regard to Canada's nuclear role. In his speech last night the minister spoke at great length about Canada's defence force having become a flexible, mobile unit designed to participate in keeping world peace. His speech on Friday dealt with the fact that he sees Canada's participation as being in keeping world peace. He does not think there is the slightest danger that Canada will find itself at war. We are to participate in a mobile force to keep peace in the smaller countries throughout the world.

I refer to the article by John Gellner in the August, 1965, edition of *Canadian Aviation* where he writes about the suitability of Canada's role in defence.

Nobody really believes any more that a limited nuclear war is possible.

The question before the defence committee some time ago was whether limited nuclear war was possible. I am sure that all members of that committee came to the conclusion that it certainly was not possible.

If we had been convinced in the first place through the warnings of those who did not believe, we could have saved upward of one billion dollars for the nuclear weapons systems Canada has in her arsenal.

What a huge amount of money we could have saved the taxpayers as far back at least as 1963 or perhaps as far back as 1961 if we could have foreseen that a limited nuclear war was not possible and that Canada had no place in any other type of nuclear war. The article goes on to say:

The wars that have been fought since 1945, that are being fought now, in Viet Nam, on the Malaysian-Indonesian borders, and in the Yemen, and that we have to be prepared to fight if we must, are conventional wars of all sizes and shades.

That certainly does not mean a nuclear war. If the minister is not prepared to answer this question now, I think it should be one of the initial questions that the Defence Committee should settle. I should like to have the minister tell the house now that this whole question of Canada's participation in a nuclear role of any description will be put on the doorstep of the defence committee and that he will say to the committee: This is your first problem.

Bring in the experts, call in whoever you like. Call in the military experts of any other country, but let us quit wasting money. Let us not waste again the $1 billion wasted in the past five or six years in the gathering together of the nuclear weapons systems that are in Canada's arsenal today. Surely we can decide this question rationally without further expenditure of the taxpayers' money.

I was interested last evening when the minister in his reply dealt with the CF-5. For a while he talked about the CF-5A and although he did not mention the CF-5M I gathered from his remarks that several modifications were to be made to that aircraft. The minister did not assure us that his cost estimate for the CF-5 would not escalate, as was the case with the Avro Arrow. I believe that in 1952 the Avro Arrow had a certain projected cost but I do not know the figure. However, that cost figure finally escalated into something like nine times the original estimate. The minister in his description of the CF-5 last night kept saying: "Well, with modifications and with the super-enlarged engine it will require a shorter takeoff run," and so on. I was disturbed by those remarks. Can the minister assure the house that there will not be an escalation in the cost of this aircraft, if he is prepared and determined to buy it?

I noted with interest that in talking about the CF-5 last night the minister kept saying "I have been informed" or "I have been so advised". He was describing the aircraft which he is purchasing. The minister has been bargaining for this aircraft and is spending something like $250 million but what I am really wondering is, did he buy the aircraft or was he sold it? This is the whole question. I should like to think that he made some attempt to buy it. All the evidence that I can gather, however, points to the fact that he was sold it. This aircraft is not new. It was first on the drafting board in 1955, 11 years ago. In the final result the United States government turned it down. Whom are we to believe, as the Ottawa *Journal* points out? Are we to believe the minister and his experts or the members of other parties who have stepped into this debate and who have their own sources of information?

Supply—National Defence

As found in yesterday's *Hansard,* page 1566, the Minister of National Defence had this to say:

> Mr. Chairman, experience with the F-5 in Viet Nam indicated that the Canadian CF-5 will be absolutely first class in the ground support role.

What are the facts about this airplane? Something like ten countries have bought it. They include the Philippines, Spain, Norway, Canada, and South Viet Nam. What was the actual result of the experiment in South Viet Nam? To answer that may I quote from the August, 1965, edition of *Canadian Aviation,* page 16:

> The need became apparent for a supersonic aircraft that could operate from rough short fields, was undemanding in terms of manpower as well as of money, and was cheap to operate and maintain. This has revived hope for a U.S.A.F. order for the F-5.

The article continues:

> It was reported last month—

That would be in July:

> —that a special U.S.A.F. unit equipped with 18 of these aircraft is to be deployed in South Viet Nam this fall for combat evaluation. It is expected—

Here is the important point of this quotation:

> —that an initial U.S.A.F. order for about 200 of the improved F-5's will result.

• (5:10 p.m.)

Now we know the facts. What happened? The minister could not wait for the evaluation of this test. He could not wait to get exact results. The article states they were in use in South Viet Nam as early as July. The minister, as nearly as I can gather, announced his decision to buy the planes on October 19, 1965. What action did the government of the United States take? Did they go ahead and buy 200 of the improved F-5s, as this article suggests, because the 18 planes which were in Viet Nam were so successful? No. The United States government on June 24 passed sentence. In President Johnson's message to Congress sentence was passed on the F-5. Did this alter the position of the Minister of National Defence? He could not wait until January before buying these planes. He could not wait until a proper evaluation had been undertaken.

An hon. Member: He got a discount.

Mr. Horner (Acadia): I think he was sold a bill of goods by Northrop Aviation. How good is this plane and can Canada use it? That is the question. The minister dealt at great length last night with the refueling equipment possessed by this aircraft. He told us how the F-5 could be refueled in the air. I suggest that this equipment had better be good and that we should be certain the plane can be refueled in the air because it has a combat range of only 300 miles according to the specifications set out in the August edition of *Canadian Aviation.* I would like to ask the minister to tell us how many times this plane has run out of gas and how many crashes have been caused because it could not get back to base and there was no other plane in the sky to refuel it. Surely before the minister plows ahead spending the taxpayers' money he should take a second look now that the United States has so coldly turned down this plane.

The article continues:

> There are of course some disadvantages. For example, the limited range of the F-5 is only partly compensated by inflight refueling facilities.

Remember, this is an article very much in favour of this plane, an article intended to convince the public that this is the plane Canada should be buying. Even so it contains an admission that there are some drawbacks. After listening to the minister's explanation last evening I suppose we should all be thoroughly convinced that this is the perfect plane in every way.

The second question which the defence committee should study is the whole matter of the purchase of these planes at a cost of some $215 million. We do not even know whether this will be the final price because the minister spoke of many modifications which would be incorporated during the manufacture of this aircraft. At no time did he say the cost would not escalate.

I should like the minister to tell us before this estimate passes that the whole nuclear question, in addition to the purchase of the F-5, will be referred to the Committee on Defence. We have seen in this country on past occasions vast expenditures incurred for military equipment only to find that a year or two later the equipment had to be scrapped and that the money had been wasted. This is precisely what is pointed out in the article I have before me. It says:

> The pocketbook of the longsuffering taxpayer who in the past has often shelled out money for military hardware of doubtful utility must be spared as much as possible when a modern weapons system is being purchased.

This is the whole basis of our argument with regard to this aircraft. This is why I say the minister should in fairness to himself and to the public allow the Defence Committee to study this question. The Defence Committee should call in experts from the United States

Air Force so they can explain why that plane did not suit them, why a plane which was not suitable for them in Viet Nam would nevertheless be suitable for the Canadian air force. The least the minister could do would be to refer these important questions to the Defence Committee which has been given such a high rating by many newspapermen as a body that is doing great work. If the committee were given these questions to consider it could, I am certain, do a lot of good for the Canadian taxpayer and perhaps in the long run for the defence of Canada as well.

Item agreed to.

Defence Services—

15. Operation and maintenance and construction or acquisition of buildings, works, land and major equipment for the Royal Canadian Navy, the Canadian Army, and the Royal Canadian Air Force and $1,850,000 for grants to the town of Oromocto, $1,382,244,000.

Mr. Lambert: There are just a few remarks I should like to put on the record together with some figures in connection with purchases of major equipment and the funds provided for this purpose.

We have heard some stories about the trend in the procurement of major equipment for the forces. The minister has told us he is greatly worried about this trend. He is not the first minister to be concerned about it. As a matter of fact, when I went to the Department of National Defence in 1957 this question was exercising the minds of the then minister and of his advisers, the continuing fall in the percentage of moneys which could be allocated to the purchase of new equipment.

I believe the minister was a member of the Defence Committee in 1960 when the minister of defence of that day indicated that, if a sharp reversal did not take place in the foreseeable future, between 1970 and 1975 there would not be one dollar left with which to buy equipment. People worked on this problem. Any effort the minister can make toward this end will, of course, gain him the commendation of the house. But let us not leave anyone under the impression that this is a new-found principle.

Let us examine the figures. I base my comments on the items in the estimates of the present year and past years. In the year 1962-63 the sum of $309,581,627, was spent by the three services on construction and the procurement of major equipment. In 1963-64 the amount was $282,448,395. In the estimates for 1964-65, really the first estimates which the present minister has had completely under his control the amount available was down to $225,838,000.

In 1965-66, although the expenditure forecast was just under $140 million for the R.C.A.F. the amount actually spent was something less than $88 million, and while the total forecast expenditures amounted to $263,135,000 a study of the actual expenditures shows that only $211,146,000 was spent. The estimates for 1966-67—I beg the indulgence of the committee for going into the next estimates—show a forecast of $297,631,000.

• (5:20 p.m.)

These figures show that in 1962-63, when we had a dollar worth at least 10 per cent more than it is now, we spent more money on major procurement for the forces. By and large I would say that the construction side was about the same. I note there is some $26½ million in construction this year. The minister should tell us what the main projects are on which money has been or is being spent in the year 1965-66. The figures are $71,500,000 for the navy, $52,200,000 for the army and $87,446,000 for the R.C.A.F.

Mr. Hellyer: With respect to procurement for the navy some of the major equipment items involved the construction carried on of the Mackenzie class ships, the St. Laurent class conversions, the Restigouche class conversions, advance equipment for the refit of H.M.C.S. *Bonaventure*, conventional submarines, some advance expenditures on the DDH destroyer helicopters, drawings and engineering testing, mechanical and engineering equipment, some small boats and miscellaneous.

Mr. Lambert: With regard to aircraft there is $21 million listed.

Mr. Hellyer: Yes. That is practically all for helicopters, the CHSS-2 which is being operated from the ships and which is part of the weapons system.

Mr. Lambert: Does this represent the Voyageur or are the Voyageur and the Buffalo in the future?

Mr. Hellyer: This item does not include the Voyageur or the Buffalo.

Mr. McCleave: I should like to ask the minister a question arising out of extensive remarks he made regarding minesweeping, as recorded on pages 1562 and 1563 of yesterday's *Hansard*. I take it that what the minister was saying was that the minesweepers

which the navy possesses would be too costly to refit for modern minesweeping due to the new type of mines being developed. I also gather from what he said that a Pearl Harbour type of war outbreak is considered unlikely by the department. At least, he stated:

> The probability of a conflict in which a potential enemy would mine Canadian coastal waters is extremely remote. Certainly a potential enemy would have to weigh the consequences of any such overt action and it seems very unlikely that he would risk all-out war through such an act.

One could debate that statement but all I wish to do is to ask whether there is any equipment available to the navy by which mines, if found, could be removed from coastal waters?

Mr. Hellyer: At the moment we do not have any minesweeping capability for the reasons I gave. It is true to say that conditions could arise where we might need minesweeping capability but the probability is extremely low. All of our expenditures and roles are chosen on the basis of probability. It is just like taking out insurance of any kind. You have to insure againt the greatest risk and this involves a matter of judgment. Although there is not unanimity, in the judgment of the majority of the people who have studied these matters the probability is rather low. The hon. gentleman is quite right that the ships we now have in reserve would require extensive alterations in order to sweep modern mines but it is not felt that the probability is sufficiently high to justify the expenditure.

As I indicated, we have asked for another study to make sure there is no significant change in thinking since that decision was made. For example, some experiments have been carried out in sweeping mines with helicopters. Is this a real possibility? I cannot tell my hon. friend whether or not it is effective because I have not got the information on which to base a reply. But I know some experiments were carried out and we are examining the matter to see what new techniques have been devised.

Mr. Crouse: I should like to direct a brief question to the minister. I am not certain if the subject comes under this item and if it does not perhaps he can direct me to the correct item. It deals with the movement of the Albro Lake signal station from Dartmouth to Mill Cove in Lunenburg County. When the Conservative government was in power it was decided to move this station due to the fact that there was too much interference with the signal in the Dartmouth area. In the past year progress has been rather slow in this matter and I would ask the minister whether the transfer has now been completed, what is the total amount of money his department intends to spend in this area, the approximate date when construction will be completed, and when the final movement will be made from Albro Lake to Mill Cove?

Mr. Hellyer: I shall try to get that information and give it to my hon. friend.

Mr. Starr: Is the minister prepared to give answers to the questions asked by the Leader of the Opposition with respect to cars in Ottawa?

• (5:30 p.m.)

Mr. Hellyer: We are trying to get the information on that. The Leader of the Opposition also asked for the names of the servicemen who were retired and who were referred to in the Auditor General's report. These are Wing Commander W. G. Taylor, Flight Sergeant J. C. Baker, Lieutenant Colonel W. M. Alton, Major R. W. Hampton, Sergeant D. W. Hopkinson and Flight Sergeant C. F. Page. These six persons involved were recruited in the non-permanent active militia in the ranks between 1926 and 1933 when Kings Regulations and Orders for the Canadian Militia, 1926, authorized enlistment of boys between 14 and 18 years of age and in special cases at the age of 13. In the cases in question the fact that the men served in the militia during the periods claimed, in other words, that they were in fact enrolled under age, was supported by statutory declarations from the contributors themselves and in each case from independent persons who also signed statutory declarations to the same effect.

There is one other bit of information on this same subject. As hon. gentlemen probably know, until 1947 one-half of militia service could be counted for retirement purposes. The law was changed, I think in 1947, to reduce that to one-quarter of militia service that could be counted. The member of the armed forces might elect to count the service within one year of becoming a contributor under the Act.

Mr. Fairweather: In other words, what the minister is saying, on the basis of the Auditor General's report, is that some people whom he has named and whose names I will not repeat in effect have committed perjury. I am wondering whether procedures are going to

be taken under the Criminal Code. Will action be taken against the persons involved?

Mr. Hellyer: Mr. Chairman, in fact these persons enlisted under age and they did serve and therefore they are entitled to the benefits under the law. I think if my hon. friend were to check the records of all the people who served in world war I and world war II and in between he would find a rather large number of people who enlisted under age by one means or another. Although one might raise a question in respect of this, I think it was almost common practice with young men who wanted to get into the services.

Mr. Fairweather: As one who enlisted at age 17, and there was some collusion about it, I know whereof the minister speaks but I did not attempt it at age 9, 10 or 11. That is what I am referring to. The Auditor General refers to people of that age. I do not think anyone worries about the year.

Mr. Hellyer: Did the hon. member get the point that at the time they were enlisted they were entitled to enlist at 13?

Mr. Fairweather: The Auditor General speaks of nine-year-olds. Some of us were fairly sizeable people at 13 but I am not sure how many people could serve Canada well at nine years of age.

Mr. Hellyer: I suspect, that like the hon. member and myself they must have been big boys.

Mr. Thompson: Mr. Chairman, I have a question I should like to ask the minister relating to the R.C.A.F. airbase at Penhold, Alberta. At present this base is being held on a maintenance status only until its role in the new training program is determined and it has been so held since the time of the actual abolition of the jet flying training program.

Can the minister inform us whether the department has decided to turn over the actual runways and related flying facilities to the Department of Transport, with the intention of providing much needed and urgently demanded municipal airport facilities? If this is so, until the negotiations between the city of Red Deer and the department are completed would it be possible to use the runways for civilian planes inasmuch as it will perhaps be some time before the negotiations between the Department of Transport and the city are completed.

Mr. Hellyer: I think the situation is that we would be willing to turn over the runways to either the Department of Transport or the city or the two together if they were interested in entering into some kind of joint arrangement. In so far as interim use is concerned between now and the time agreement can be reached, provided we still have personnel available there I would be willing to take this question as notice to see whether it would be possible to extend the use of the airfield for civilian purposes.

Mr. Thompson: The minister says he will be willing to turn over to either the Department of Transport or the local authorities the runways and facilities. Has there been any formal notice given to the Department of Transport of the department's willingness to do this?

Mr. Hellyer: I cannot say whether or not it is formal but certainly there have been informal discussions to this effect. I cannot say whether any paper has passed between the two departments but in fact the airfield is available to the Department of Transport if they wish to take over and operate it.

Mr. Churchill: I should like to return to the question of the six persons whom the minister named in response to the question concerning the Auditor General's report. Will the minister inform us as to the age on enlistment of each one of these persons and the length of their service in the militia and in the regular army?

Mr. Hellyer: I do not have that information readily available but I would be more than happy to provide it either at a later time or obtain it and make it available to my hon. friend if he would agree to that.

Mr. Churchill: Could we not have the name of the person whose enlistment dates back to age nine?

Mr. Hellyer: I am not sure which one it is offhand but I will find out.

Mr. Churchill: Why can we not find out right now? This was in the Auditor General's report and it appeared in the papers and was raised in the house several weeks ago. It was specifically asked for by the Leader of the Opposition. Surely we can have the answer immediately instead of being left with the answer that we will receive the information in some roundabout way at some indefinite time. Let us have the full facts instead of the flippant answer the minister gave the hon. member for Royal that perhaps some of them were big boys. Let us pin it down specifically. The Auditor General has specifically mentioned these persons. Are we to neglect his

report? I say no. Let us have the information.

The Chairman: Shall item 15 carry?

Mr. Churchill: If we are not going to have the information I suggest that the item stand until we get the information.

Mr. Starr: It seems to me, Mr. Chairman, that surely the minister and those in the department, having read the Auditor General's report, would have looked up this particular case to satisfy themselves that the Auditor General had a case that was legitimate, because he did bring it out very forcefully. The minister cannot say that they do not have this information. If they do not have it then there certainly is some neglect on the part of somebody in not looking up this particular case to see whether the Auditor General's criticism is legitimate.

Mr. Hellyer: I think the information is available. We just do not happen to have it with us at the moment. The case was checked out, as my hon. friend would expect in the circumstances.

Mr. Starr: Then I would suggest in the circumstances that we stand the item and go on with others in the hope that before we pass the item the information will be forthcoming.

Mr. Hellyer: I would be agreeable, Mr. Chairman.

• (5:40 p.m.)

Mr. Herridge: Mr. Chairman, I want to support the remarks of the previous speaker. Strangely enough, this one item has captured the public's imagination more than information in respect of weapons and that sort of thing. This item is in the same category as horses on the payroll. I think we should stand this item so we can have an explanation placed on the record. This is a most intriguing thing.

Mr. Starr: Mr. Chairman, I think the minister has agreed that this item should stand and that we go on to the others so that we can receive some information about this situation before passing the specific item.

Mr. Schreyer: Mr. Chairman, I should like to refer to a matter which I believe comes under the purview of the Associate Minister rather than the minister and has to do with the land expropriation currently being carried out by the department in the vicinity of Camp Valcartier.

[Mr. Churchill.]

I raised this matter yesterday on the assumption that the minister or his associate would make at least some passing reference to it in reply. I note that the estimates allocate only $100,000 for the acquisition of real property so I assume there is no item in this year's estimates to cover the cost of this specific land acquisition. Nevertheless negotiations are now being carried on and this raises at least one or two questions which I think the minister should attempt to answer. First, is it absolutely necessary that the land of a large number of people be expropriated in order to expand the area of an army camp when there seems to be alternative unsettled land in close proximity to the army camp that could be utilized for this purpose? Apparently the area contemplated for expropriation includes a 150 year old village and a large number of residences.

The other specific point on which I should like the minister to comment has to do with the involvement of an army officer in the negotiations regarding the acquisition of this land. It seems very strange indeed that an army officer should be involved in something that is almost completely a matter for the civil authorities to look after. Would the minister make some comment in this regard?

[*Translation*]

Mr. Cadieux (Terrebonne): Mr. Chairman, this whole matter of expropriation under way at Valcartier has been considered at length, first by the civil personnel and later by the general manager of properties of the Department of National Defence.

There have been recommendations to expropriate an area of about 60 square miles. After the limits were considered, we received protests from this community called Shannon, which is described in our services not as a village but as a group of small properties comprising approximately 25 families. We considered, at that time, the possibility of doing without, if you want, that part of the land proposed in the acquisition. Once again, the general manager of properties went back to the site so as to conduct an investigation. Further to this investigation, we asked the military authorities to explain to us why this area should be included in the group of properties to be acquired. They explained to us that if those people—and that is when the phrase "Shannon Corridor" was used—it was not meant as a joke—

[*English*]

It was not meant as a joke.

[*Translation*]

—This was a military expression to show that if these people were not relocated, they would be in a danger zone when there was long-range mortar, arms and cannon fire practice.

Now, in accordance with the recommendations of civilian personnel and of the director general of properties, and after representations of our officers, we do not believe this community can be kept in that spot because it is dangerous.

On the other hand, we are ready to consider any suggestion.

When the hon. member says there are some lots near by that we could use, he forgets that in all this, the enlargement of Camp Valcartier must be so arranged as to form a whole area for practice and exercise of our soldiers with long-range arms.

I am sure that neither the minister nor I would be unwilling to consider any suggestion which might satisfy the people of Shannon.

As far as I remember, it is quite correct to say that to date, a preliminary investigation has been held and that following representations a second one was launched. During the second one, the military were asked to explain why they needed these pieces of land. It was then, perhaps, that the hon. member found that the military had inquired not into the advisability of expropriation, but into the necessity for them to include those grounds in the expropriated area because they lay within the danger zone.

I trust these explanations will satisfy the hon. members. I am sure no doors have been closed; in fact we are willing to consider any suggestion which might be made. I feel the crux of the matter lies in that it is dangerous for the people of Shannon to stay in the firing area.

I am willing to obtain once more detailed information and pass it on to the hon. member as soon as I have it. I am also willing to study how best we can reconcile the interests of the Department of National Defence and of the people concerned.

[*English*]

Mr. Schreyer: Mr. Chairman, I accept the minister's reply in the spirit in which it was offered but I have a specific follow-up question. Is it correct to say that negotiations are still continuing with the property holders in the area and that the land is still registered in their names, that is to say, that the land is not yet vested in the Crown?

[*Translation*]

Mr. Cadieux (Terrebonne): I understand that when expropriation was decided on, these properties were included in the expropriation and that, consequently, they are expropriated.

Negotiations are currently in progress between representatives of the Department of National Defence and the persons involved with a view to reaching an agreement and setting a price. I believe that is the situation.

[*English*]

Mr. Schreyer: Mr. Chairman, that is a very interesting point. I am not sure what the past procedures are that have been followed by this department but I am disappointed that a procedure is not being followed by which negotiation with the owners as to price could take place first. Apparently the department has filed a plan of expropriation in the land titles office and subsequently commenced negotiations with these owners. It seems to me that a genuine attempt should have been made to negotiate price and reach a settlement before any resort to expropriation took place.

[*Translation*]

Mr. Cadieux (Terrebonne): Mr. Chairman, that procedure is used for a very simple reason: in such cases, speculation must be avoided. If the Department of National Defence were to announce in advance that 60 square miles of land are to be expropriated and then tried to negotiate prices before filing its expropriation plan, prices would go up of course and expropriation would no longer be possible.

But I feel one must presume that the Department of National Defence is not out to rob property owners by offering unacceptable prices. That is the first thing one must accept, in my opinion.

[*English*]

Mr. Churchill: Mr. Chairman, I should like to ask one or two questions on the same topic. For what type of range practice is this extra land required?

[*Translation*]

Mr. Cadieux (Terrebonne): Mr. Chairman, I thought then that it was for the training of a battalion with long range modern equipment including long range mortars.

[*English*]

Mr. Churchill: Let us not talk about long-range equipment or long-range mortars. What is the range of these weapons? That is what I want to know. Give me the exact range.

• (5:50 p.m.)

Mr. Hellyer: As my hon. friend well knows from having been minister of national defence at one time, the exact ranges of these weapons are not given.

Mr. Churchill: Then could we have the approximate range?

Mr. Hellyer: I think the hon. gentleman would have to be more specific. A wide range of equipment is used at Valcartier and would require different areas of territory. But the amount of land that has been acquired or is in the process of being acquired is adequate to provide battalion exercises, including those for armoured vehicles if required, and has ranges adequate for mortars and so on.

Mr. Churchill: The hon. member for Springfield and others who have participated in the discussion have got the minister to indicate to us now that the land has already been expropriated and the question of the price people are to receive for their buildings and farms is under negotiation. We have had information that these 25 families have been informed they will be in a danger zone because long-range weapons of some sort or other are going to be used for practice purposes.

Therefore a shotgun has been placed at the heads of these people. They are told, "You are now in a danger zone; it is too bad but in order to protect your safety it would be advisable for you to move". This is a scandalous thing to do. Twenty-five families whose ancestors have been living in this area for 150 years are suddenly to be moved by arbitrary action on the part of the Department of National Defence.

I think this action should cease immediately and for several reasons. I shall give two. One is that Camp Valcartier has been in use ever since the days of Sir Sam Hughes whose actions are now being emulated by this minister. It was found to be satisfactory in the years of the first world war for the setting up of musketry ranges for the first contingent and ever since then it has been found to be suitable. If additional land is required for range practice for rifles, machine guns, mortars or artillery it should be found elsewhere and not at the expense of these 25 families. What is going on in this area? Why is there this disregard of families? There is a callous indifference on the part of these two ministers.

Neither of these two ministers has said he has visited the area. They have reported that an investigation was made by civilian personnel of the Department of National Defence and then the military side said, "Well, for range purposes the village and the farm homes will be in a danger area so you should do something about it". Consequently the families are now likely to be dispossessed.

I think this is a shocking piece of bungling on the part of the Department of National Defence. It just happens that most of these people are Irish. I am part Irish and I should like to say something for the Irish, as I did for the Toronto Irish militia regiment which was disbanded some time ago. What has the minister got against the Irish? They are the best fighters in the world, and he knows it.

In these circumstances we are going to dispossess people who have been established for 150 years in this area. The reason given is that more space is required for an army camp. If there is one country in the world that has a vast amount of uninhabited land suitable for army purposes it is Canada. The camps I have visited in this country have all been desert areas, sandy and bare, and there are hundreds more like them available.

If the minister wants the troops to try out long-range mortars, whose range he will not divulge because the Russians might find out, let him pick some other spot and let Valcartier be used as it has been over the years for basic training and musketry practice. Why dispossess 25 families in this way? This is a roundabout way of doing it. The department says, "You are now in a danger area; we are so sorry but you have to move". The property has already been expropriated. Why was this information not divulged earlier?

Where were the minister's study groups? Did he receive advice from his senior officers with regard to this matter or is this just another example of his autocratic methods? I say to the minister that he should cancel this program immediately and save these 25 families.

Mr. Schreyer: Mr. Chairman, I do not want to be vindictive in this matter but when the Associate Minister said the reason for expropriation action being taken first and negotiation coming next was the fear of speculation in land I feel this is a very common excuse given by governments when they resort to this kind of procedure in order to acquire

properties. Provincial governments through the years have had to expropriate and acquire property for a variety of purposes. Until now the practice followed in most cases has been that they have attempted to acquire these properties through negotiation and only if negotiation reached stalemate did they resort to expropriation.

I suggest to the minister that the real reason they have acquired the property in this way is that it is more convenient from an administrative point of view. It is a rather sad commentary on the action of his department that they should have taken this rather highhanded approach in dealing with a number of small property holders in this particular area of the province of Quebec. I am not aware of any ethnic overtones to this problem but I suggest to the minister that in future when the department has to deal with a number of small property holders it should adopt an approach that is more considerate of the property rights of citizens of Canada.

Mr. Diefenbaker: Mr. Chairman, I think the government should reconsider this matter. This is a totally unjustified action and has all the earmarks of administrative lawlessness and contempt for the rights of the individual. No amount of excuse can justify the situation created as the result of an arbitrary act by the Department of National Defence. I shall quote some of the observations made in respect of this matter. Is there no heart in the Department of National Defence? This particular area has been occupied for generations. Exception has been made in the case of two or three property owners in the area who have been advised that their property will not be expropriated. I want information on this question. Let me read from the Quebec *Chronicle-Telegraph,* which is not a paper that indulges in sensationalism. This is a shocking disregard of individual rights. The article in the newspaper reads:

> The blow fell last autumn.
>
> An emissary of the federal government journeyed to Shannon where he calmly announced that the government had decided to annex most of Shannon —the 6th, 7th, and 8th concessions—to Camp Valcartier which now straddles the southeast corner of the village.
>
> Soon after, expropriation notices were posted. Some 10,000 acres are involved in the impending expropriation—
>
> Next came copies of a form letter which were pushed in mailboxes. They were signed by Brigadier R. H. Lahaie, commander, Eastern Quebec area.

What a nice cozy letter this is. Let me just read what it said:

> During the past two months you have read or heard of the plans for the enlargement of Camp Valcartier and it is natural that people who live in the area around the Camp or who own land in the vicinity will seek information on such matters as the need to move or reinvest their money in other lands or enterprises.

What a cozy, kind way to deal with this matter. The department said in effect, "You have been here for generations" and instead of saying that these people could get out in a certain way they said, "All we want is that you move".

• (6:00 p.m.)

> As a former holder of an interest in land and buildings, you will receive a sum of money—

Then the article continues:

> But this is cold comfort to the Mooneys, Conways, Bowleses, Griffins and Campbells who are now faced with the prospect of pulling up roots put down generations ago.

Then the article gives the observations of some of these people. Surely we are not going to have another Acadian exodus. This is utterly unjustified, and there is no suggestion it can be justified. What is going on here? What are the rights of the people? This great Department of National Defence says, "Get out of here". Families who have not got the best land in the world but have lived there for generations are to be uprooted.

Here are some of the observations of some of the people. John Griffin says:

> I quit school at 13 to help my parents on the farm. This is all the work I know. We made a comfortable enough living, but what shall I do now? Become a labourer?

Surely there is not an adamant attitude, a cold, aloof and unjust attitude in this department. The brigadier's letter simply says, "Begone". Let me read what John Griffin goes on to say:

> There are far worse cases. Most of the people who are going to be turned out are middle aged. They are too old to learn anything and the uprooting is bound to have a bad effect upon them.

The article continues:

> What amazes Griffin is that the federal government decided to take over their land in peacetime. He remembers the time—in 1914—when several families in Shannon were forced to leave their holdings. There was no protest then, for a war was on.
>
> But why in heaven's name do they want to push us around in peacetime, he asks?

The expression is certainly one that is understandable, pushing around Canadians simply because a group has decided that it is

in their interests to secure this land. How many members of this house would stand for that?

The Chairman: Order, please. It being six o'clock I do now leave the chair.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock this day are as follows: The hon. member for Lotbinière (Mr. Choquette), Agriculture—Quebec suggestions on crop insurance; the hon. member for Springfield (Mr. Schreyer), Labour Relations—Whiteshell, Man.—strike at nuclear research station; the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp), Finance—U.S. tax on rapeseed oil and meal.

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

INTERPROVINCIAL PIPE LINE COMPANY

The house resumed, from Tuesday, February 15, consideration of the motion of Mr. Wahn for the second reading of Bill No. S-10, respecting Interprovincial Pipe Line Company.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, the last time this matter was before the house I was pointing out the problem members faced in dealing with this kind of amendment because of the information available to us as to the splitting of this stock. I should like to refer to several instances where something has been said about this stock on previous occasions. I had an opportunity of looking at the *Financial Post* survey of oil stocks for 1965. I find that this survey contains the history of this company. Briefly, the company was set up by an act of parliament in 1949 when it was established to transport oil. By 1964 the company had something like 3,475 miles of pipe line in its system. The history of the company indicates that the capital stock authorized was 40 million shares with a total issue value of $5,087,282 and a par value of $5 per share.

The original capitalization of this company in 1949, however, was on a $50 per share basis. In 1952 the shareholders approved a 10 for 1 split and the stock was changed from a par value of $50 to a par value of $5. It has been said, Mr. Speaker, that the reason for reducing the price of this stock is twofold. Mr. Burgess, Q.C., representing the company in the other place, outlined the two reasons. First, he said—

Mr. Choquette: Carried.

Mr. Peters: Where are you going to carry it? Since "carrying it" in a pipe line means moving it from one place to another, I suppose if the hon. member wants that to be considered as his contribution to this debate that is probably all right. I should like to quote what Mr. Burgess said before the Senate Committee:

> I think the primary consideration of the board of directors of a Canadian company of this nature is to broaden the base of their stockholdings, in particular to broaden the base of their stockholdings in Canada. This serves an extremely useful purpose in that for the benefit of your existing shareholders as well as for the benefit of others who might wish to buy into the company, you get a much narrower market on your stock.

This may be so.

> When your stock is at a price up in the eighties or nineties it is a rich man's stock and many investment syndicates and people like that buy it, but the man in the street is not going to buy very much. You get a buy order that can be a major investment fund or something of that nature, and the stock market accelerates because they are buying stock on what their financial experts have told them. They want the stock then; they buy it; and the price escalates.

He goes on later to point out the second reason, and it is of interest to note that the second reason has now become the prime reason for the stock split. The company is attempting to make this stock available to its employees. He goes on to say there has been a vote taken on this matter and that 90 per cent of the employees voted in favour of question No. 1 and 78.7 per cent voted in favour of the second question. The first question reads as follows:

> Would it be more attractive to you as an avenue of investment of your plan savings if the stock were subdivided on a 5 for 1 basis, so that each new share would have a market value of approximately $18?

The answer was yes by 90 per cent.

• (6:10 p.m.)

The second question was:

> If you presently allocate your plan savings to cash savings, or are contemplating doing so some time in the future, would the lower unit price of the Company stock encourage you to change your allocation from cash savings to the purchase of Company stock?

In answer to that question 78.7 per cent of the employees said yes, which indicates that the rest of them were really less interested in a change.

I have already pointed out that this company has a capitalization of 40 million shares. Only five million of these shares are presently on the market. Therefore the question immediately comes to my mind: What does this company want to do? Most companies would reply that they want to expand and need more capital. In this particular case it is my guess that the company does not want or need a capitalization of 200 million shares, which it has indicated the new split will create. For this reason I intend to move an amendment which I think will probably be acceptable, if I understand correctly the company's proposition; and I am sure that the sponsor of the bill will be willing to accept this suggestion.

There is a second consideration which must be raised at this time. If it is a good thing to bring the value of this stock down to $18 and if that is the purpose of the bill, I suggest it would be much better to bring the value down to $1.80. I can find many people in Canada who would be even more willing to buy the stock if it was 18 cents a share. I would suggest 18 cents is not unreasonable for a company with a capitalization of 200 million shares. This would still produce a very large sum of money. I think that this company is as phony as a $3 bill. This is the way the Imperial Oil Company writes off some of its expenditures and handles the distribution of its dividends.

Let those who deal on the stock market consider this proposition. In 1949 you buy a $50 share and all you do with it is collect the dividend. Last year you will find this company paying a dividend of $3.40 per share which on a $50 share would produce $34. I see people looking amazed but that is a fact. In 1953 this stock was split ten for one which would multiply your original investment by ten. Therefore, instead of receiving $3.40 you would receive $34 on your investment of $50. That is why I wonder that anybody wants to upset this balance. This stock is an excellent investment and continues to be so.

One of the questions for the shareholders is what the company will do with the stock left over in the treasury which in this case will amount to something like 175 million shares undistributed. Is some of that stock going to be distributed? If that is the case this will reduce the price and it will again become a good market proposition. If that is not the case it will mean that there will be a dividend of 70 cents on the stock next year. On a $50 investment this will produce $70 by way of dividend. That is a fairly substantial type of stock to purchase, I suggest.

I suggest that there would be something wrong with us if we passed this bill without giving a great deal of consideration to what stock splitting does in general and what it will do in this instance. I suggest that members of parliament should examine any proposition which will produce a larger dividend each year than the original investment. This is an exceptional sort of proposition. Therefore, Mr. Speaker, I move, seconded by the hon. member for Danforth (Mr. Scott):

That clause 1 of Bill S-10 be amended by deleting in line 10 thereof the words "and unissued".

The clause would then read:

Notwithstanding anything contained in section 3 of chapter 34 of the statutes of 1949 (1st session), as amended by chapter 66 of the statutes of 1952-53, each of the issued shares of the capital stock of the Company of the par value of five dollars is hereby subdivided—

And so on. I would recommend—

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

I am wondering whether any hon. members have any comments to make on this amendment. Perhaps it is unnecessary because the amendment is obviously out of order. If the hon. member will refer to citation 389 of Beauchesne, fourth edition, he will find the following:

A motion opposing the second reading of a Bill must not anticipate amendments which may be moved in Committee.

The hon. member may move an amendment relating to the principle of the bill before us but he cannot move an amendment which refers to a particular clause at this stage of the proceedings. So, with respect, I suggest to the hon. member that the amendment he proposes is premature and for this reason it cannot be accepted by the Chair.

Mr. Peters: Mr. Speaker, I would rather you had ruled it out because I had not changed the principle. I was of the opinion that I was changing the principle of the bill.

Mr. J. H. Horner (Acadia): Mr. Speaker, in rising to take part in this debate I would say at the outset that this is not the first time this bill has been presented to the house.

An hon. Member: Nor the last.

Mr. Horner (Acadia): As someone says, perhaps it will not be the last; that may be true.

I would not want to be accused of holding up this matter. I am seeking only information and clarification. It is an interesting bill with an interesting principle involved, namely, the selling of shares and whether or not stock splitting really helps the small investor. The shares are selling at nearly $90 and the proposed split would bring the shares down to something in the neighbourhood of $18. We have recently been told that this will make shares much more readily available to small investors.

• (6:20 p.m.)

Yet when the question was asked some years ago before the Railways, Canals and Telegraph Lines Committee how many shares are bought at one time, a representative of the company replied, "Well, perhaps 100 or maybe as low as 50". There is the crux of the matter. Anybody who is going to buy 100 shares of this company at $90 a share would have to have $9,000. Surely the stock exchange is geared to accept smaller amounts of money. Surely the stock exchange is geared to accept purchases of many fewer shares than 100 at one time. I suggest there is ample evidence which could be put before a committee or before this house that this is the fact. The stock exchange is geared to accept smaller amounts of money than $9,000 or $5,000; in fact, it will accept amounts as low as $1,000. One thousand dollars will buy in the neighbourhood of 50 shares.

I asked a number of questions of the president and chairman of the board of the company who appeared before the committee and I tried to ascertain whether the company had the interest of the small investor at heart or if it had the interest of the company and those who held large numbers of shares in it at heart. I am not anti-big business, Mr. Chairman. I am not anti-anything really.

An hon. Member: What about being anti-Liberal?

Mr. Horner (Acadia): That is a very difficult question to answer because I do not know where they stand on any subject.

What I am trying to project and work toward is the bettering of conditions for as many people as possible. This company is operating at nearly 100 per cent capacity. In other words, there is a transmission line from western to eastern Canada transporting oil under near monopoly conditions and at nearly 100 per cent capacity. It is an ideal company operating under ideal conditions.

The question is, where is the interest in the purchasing of this company's shares? That question was asked before the Committee on Railways, Canals and Telegraph Lines. Much to my surprise the answer was, "Well, recent purchases of the company's shares have been by unions with a surplus of money, private pension plans with money to invest in a solid investment and organizations like that". There was no evidence before that committee that small investors wanted to buy the shares of this company. In fact, the evidence before the committee was that the opposite was true.

Unions and pension plans with large sums of money were looking for solid, sound investments and they chose this company. I say that the opposite is true with regard to the small investor who is looking for penny shares from which he hopes to make a fortune. In other words, the small investor is looking for a pot of gold at the end of the rainbow. He is prepared to speculate with very little money in the hope that he will strike it rich. Persons investing in this compay are not of this type. This company, operating under a monopoly and with its transmission costs and transmission prices evaluated by the National Energy Board, is of such a nature that it does not make an exorbitant profit but on the other hand it does not lose money. In other words, this company has a sure thing. It is a solid investment. Any solid, sound investment has a tendency to entice large amounts of money from investors looking for a sure return.

I say, therefore, to the mover of the bill that whatever committee of the house this matter goes before, and I am not sure which committee it will be, the Interprovincial Pipe Line people should come before that committee prepared to support their claim that there is a real need to split these shares so as to allow the average or small Canadian investor to buy them. The words "average Canadian investors" were used in connection with this measure although two years ago I believe the words used were "small Canadian investors".

What are the facts about this particular company? Imperial Oil owns something like 25 per cent of it, and Shell and British American lesser amounts. We are told that wherever you have share splitting you have an increase in the number of shareholders. However, in 1952 or 1954, when shares of

this company were around $30, the company had something like 8,000 shareholders. I recall these figures from evidence given before the committee. At the price of $30 a share, was there a tremendous influx of investors? The answer is no, Mr. Chairman. From where did the influx of money come? Again, large amounts of money were invested by oil companies, pipe line suppliers, union funds, pension plans and so on until there were something like 12,000 shareholders while today the number has increased to approximately 14,000.

There has been no overwhelming evidence to show that the small investor is being kept out. If he is being kept out today, apparently he was kept out when the share value was around the $30 mark because the small investor was not interested then either. This is the crux of the problem. What are the fears beside the fear that the small Canadian investor is being kept out? One of the fears I have is that where shares are split it is often done to enhance the value of existing shares and to increase shareholders' profits. This view may be unfounded. I know that big business splits shares all the time but it just happens that this company is in the unfortunate position of having to come to parliament for the privilege of splitting its shares.

• (6:30 p.m.)

This is a company which transmits oil across a provincial boundary. Therefore its application must come before parliament and it should come before parliament. It has been given a monopoly by parliament and it is only right it should explain to us whether it is trying to enhance its own position or whether it is allowing more Canadians to participate in its profits.

Consider the number of shares which have been issued. I understand that there are some 40 million shares in the treasury of which little more than 5 million have been issued. The sponsor of the bill can correct me if I am wrong; I speak from memory. Does the company intend to issue more shares? No. The intention is to keep 35 million shares in the treasury. They want to multiply these by five which will give them 175 million shares tucked away in a sock for a rainy day. This is how it appears to me as one who is perhaps an uneducated investor. I do not need to say, Mr. Speaker, that this is a nice reserve to have in case another transmission line should be built or in case we run out of oil in western Canada and can no longer transport any to eastern Canada through this line.

I support the idea which the hon. member for Timiskaming (Mr. Peters) sought to put forward in his proposed amendment. The company is asking for permission to split these shares. Why split the unissued shares? What is the necessity for that? The officials said when they appeared before the committee that they did not intend to issue any more shares. The only purpose which would be served by splitting the unissued shares would be, so far as I can see, to build up tremendous investment support.

Look at the issued shares. What happens to them? They are split five for one and their price goes down to $18. The thought is often expressed that in cases like this, when we are dealing with a guaranteed monopoly, a company operating at almost 100 per cent of capacity, the value of these shares will not remain at $18 for very long. They will start to climb. Who will benefit then? The present owners or shareholders. The president of the company has something like 3,500 shares in his personal account. That is a nice amount. If they go up $5 a share the expenses of putting this bill through parliament will have been paid.

Imperial Oil, which owns close to 25 per cent of the shares, would have no objection to splitting the stock because 25 per cent of 5 million shares would amount to 125,000 shares. There is something wrong with my arithmetic. It would amount to 1,250,000.

An hon. Member: What's a million?

Mr. Horner (Acadia): It is a lot of money to me and I am sure Imperial Oil would be interested in it too. They would have no objection because any slight movement in the value of these shares would enhance their position tremendously. I am being frank in this regard. I do not doubt for one moment that the bill will go to the committee. I am putting my fears on record so that when we get to the committee the company can bring ample evidence to set my fears at rest. If they can convince me that my fears are unfounded, that Imperial Oil will not enhance its position, that the other big investing companies will not enhance their positions, I may take a different view.

We were told there were more than 37 shareholders holding more than 10,000 shares. But we were not told now many people hold fewer than 37 shares. This is the figure in which I am interested because the whole purpose of this move is surely to allow the

small man, the average investor, to buy these shares. We should have been told how many little fellows hold shares in this company. Had this been done we would have been able to judge more easily whether or not by passing this bill the small investor would continue to be excluded from its benefits. This is evidence which I should like the Interprovincial Pipe Line Company to bring before the committee.

People have said to me: This is a common practice in big business, the bill should be passed rapidly, you are only showing your ignorance by attempting to get information about it. Well, I do not take my duties in this house so lightly. This company has a monopoly. I think parliament should examine this monopoly to see whether it is operating with the intent to benefit as many Canadians as possible.

It is all very well for the mover of the bill to say, as has been said on other occasions, that 80 per cent of the shares are held by Canadians. Again I am using a rough figure; I may be out by 10 per cent. But here is the point: The companies which own the shares are in effect United States companies. Imperial Oil is a United States company. Let us not fool ourselves. We call it "Imperial Oil of Canada" but the recent guide lines set by the United States demonstrate clearly just who owns the so-called Canadian companies. Parent companies restrict and control the so-called Canadian companies. So let us not be fooled by statements that 80 per cent or 90 per cent of the shares of this company are held by Canadian companies. It is not so. Imperial Oil, B.A. and Shell are particularly involved in this company. I think all of them are controlled by parent companies in the United States.

I am putting my fears before the house tonight. I hope that when the bill goes to the committee Interprovincial Pipe Line can bring evidence which will set these fears at rest. If they do I shall readily withdraw any objections I may have to the splitting of these shares.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, like the hon. member for Acadia (Mr. Horner) who has just concluded his remarks I find myself interested in the bill before us today. The hon. member spoke about dealing with this matter in committee. In this connection, while I do not quarrel with Your Honour's ruling with respect to the amendment proposed by the hon. member for Timiskaming (Mr. Peters) I feel that the objective he sought to achieve had many

[Mr. Horner (Acadia).]

laudable aspects. It is perhaps unfortunate that for technical reasons it could not be dealt with at this stage of the bill. Since the amendment could not be accepted, obviously we must deal with the bill as it has been presented to us.

• (6:40 p.m.)

I listened to the hon. member for St. Paul's (Mr. Wahn) when he introduced the bill the other day and I was particularly interested in this statement, recorded on page 1263 of *Hansard* for February 15:

> The reasons for the stock split proposed are legitimate.

It has already become apparent that there are strong differences of view with respect to that statement. One of my colleagues suggest that if the hon. member had said the reasons were illegitimate it would have been a statement more closely in accord with the facts of the situation. However, we recognize the right of the hon. member to express his point of view and we have to assume that if he had not held that opinion he would not have introduced the bill. But if the hon. member has been deluded into thinking the reasons are legitimate there is no reason that the rest of us should accept his estimate of the situation. So far as I am concerned the reasons are completely illegitimate.

The purpose of this company in having this bill introduced, as has been the case in the past with this and other companies, is in effect an attempt to pull the wool over the eyes of members of the house and of the people of Canada with respect to the real purpose behind the idea of splitting the shares of its stock. In explaining the purpose of the bill the hon. member for St. Paul's said he would confine himself to a reference to the explanatory notes accompanying the bill. Therefore it is important that we consider exactly what those notes say. Reference has already been made to some portions of the explanatory notes, the first part of which reads:

> The purpose of this bill is to divide each of the 40,000,000 authorized shares of the par value of $5.00 each of the capital stock of the company into five shares of the par value of $1.00 each. This will not increase or alter the authorized capital of the company of two hundred million dollars.

From an examination of the bill I believe that first paragraph of the explanatory notes is a factual statement of what the bill in its detailed clauses seeks to accomplish. I have no quarrel with it up to that point. But then

we come to the second paragraph where it says:

> The reason for the proposed subdivision is that the company considers it desirable that the average Canadian investor be encouraged and be given the maximum opportunity and incentive to invest in the equity of a successful and growing Canadian company.

Here we come to at least one point where the explanatory notes begin to depart from the real facts of the situation. The company may be successful in growing but the splitting of its shares will not give the maximum or any real opportunity to Canadian investors to invest in the company.

Reference has already been made to the fact that only a small proportion of the authorized shares has been issued. Reference has also been made to the fact that, unless there has been a change quite recently, the company has no intention of issuing additional shares in any substantial amount from its treasury. Reference has already been made to the fact that the bulk of the issued stock is held by certain large oil corporations.

In view of all this it becomes clear that the explanatory notes depart from the real facts of the situation. They go on to outline what is considered to be good, normal, corporate practice and the best principles with respect to share values. Then there is quite a long paragraph, in fact the most lengthy one in the notes, dealing with the company's generosity in providing an opportunity to its employees to acquire company stock.

When I read these explanatory notes I thought they had a very familiar ring. In fact I wonder whether somewhere somebody who is in the habit of drafting bills of this kind has a file labelled, "Explanatory Notes Re Pipe Line Company Shares." I say this because I recall that a number of years ago we had a similar bill dealing with the splitting of the shares of the Trans-Mountain Pipe Line Oil Company, with whose operations I am more familiar because its pipe line traverses part of the province in which I make my home. Unless I am very much mistaken the explanatory notes attached to that bill, which I believe was dealt with in 1955 or 1956, were identical in almost every respect with the explanatory notes attached to this bill.

With respect to that previous bill we discovered that the company had no intention of issuing any further shares from its treasury. In statements by the company they clearly said, "No, we have no such intention. We do not need capital for expansion raised by selling shares. We can do very nicely by the marketing of fixed interest bonds. We are quite happy to keep the share equity in the hands of those who now have the bulk of it. Not only from the point of view of the increase in dividends but from the point of view of the appreciated value of the stock we have no serious desire that our shares in any substantive number be spread among Canadian investors." As a matter of fact, during the particular session of which I am thinking Trans-Mountain was not allowed by parliament to split its shares, though it may have been able to do so successfully at a later date.

• (6:50 p.m.)

I submit, Mr. Speaker, that the reasons which were valid then against Trans-Mountain Pipeline Company splitting its shares apply with equal force to the proposal which Interprovincial Pipe Line Company is placing before us now. I think that the question of the validity of the arguments advanced for the splitting of shares in general has to be considered in a somewhat different light when we are considering a company which, as already has been pointed out, has in effect a form of transportation monopoly. We did have some discussion in the house recently on the question of the operation of another form of transportation monopoly which was granted certain special rights and privileges by parliament many years ago. I am referring, of course, to the privately owned Canadian Pacific Railway Company. I think that members who participated in that discussion and expressed concern about some of the activities of that corporation should perhaps bear that situation in mind when they consider the developing and increasingly important monopoly form of transportation that has come into being in more recent years in respect of the transportation of commodities by pipe lines.

The fact of the matter so far as I am concerned is that this form of transportation should be rightfully considered as a public utility for the movement of commodities which can be transported by this means to Canadian consumers at the least possible cost. We listened to the Minister of Transport outline in practical terms his concept of the important role that transportation plays in a country that extends for thousands of miles.

I submit that parliament committed a grievous error in allowing this kind of company to be incorporated as a private corporation in the first place and that there is no

sense in our now compounding the original error of parliament by agreeing that these companies should be able by means of this kind successfully to exploit Canadians who are consumers of oil products to an even greater extent than they have been doing in the past.

I have listened to arguments which suggest that the pipe line companies are carriers. Some people argue they are public carriers. Some of them, I believe, are put in that classification officially and some of them may not be. The fact that the stock of this company was being quoted on the 12th of November at a market figure of $88 or $89 is an indication that under the terms and conditions under which this company has been allowed to operate its transportation monopoly its shares have risen and risen and risen and that the reason they have risen to this level is that this company and others like it in fact have been able to earn profits on a completely unrealistic and exorbitant basis in relation to services they are performing as a public utility.

I think these are the sort of considerations we should have in mind when companies like the Interprovincial Pipe Line Company, acting as fronts for the major foreign owners of oil interests in this country, come before parliament with these specious reasons and ask that their stocks be split.

It is, of course, legitimate for companies to be in a position where they earn fair and reasonable dividends on the risk capital they have put into a particular venture, but I submit that the members of this house, when this company was first incorporated, should have been, if they were not, fully aware of the fact that the risk capital involved in this company in the first place was not really being risked. In the second place, it represented only a fraction of the financing that was used and because of this situation this company ever since it came into being has been in a position to exploit the consuming public of Canada.

These are the considerations which some of us have in mind when we quarrel with the statement of the member who introduced this bill to the effect that the reasons proposed for splitting the shares of this company are legitimate. I say again, Mr. Speaker, as I said at the outset, that so far as I am concerned this proposal is not legitimate. It is phony and the house should refuse second reading of this bill without any further delay whatsoever. I feel that under the circumstances and in view of the —

[Mr. Barnett.]

• (7:00 p.m.)

Mr. Speaker: Order, please. The hon. member's time has expired and the hour assigned for the consideration of private members' business has expired.

The house will now resume the business interrupted at six o'clock.

SUPPLY

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

DEPARTMENT OF NATIONAL DEFENCE

15. Operation and maintenance and construction or acquisition of building, works, land and major equipment for the Royal Canadian Navy, the Canadian Army and the Royal Canadian Air Force and $1,850,000 for grants to the town of Oromocto, $1,382,244,000.

The Chairman: Shall the item carry?

Mr. Churchill: Mr. Chairman, we were expecting replies to some of the questions we asked with regard to the six cases in which men have been released on pension, and credited with full pensionable service with their enlistment ages put back to ages nine and, in five other cases, 11 and 12. I refer to the report of the Auditor General at pages 55 and 56. Perhaps the associate minister has that information for us now.

[*Translation*]

Mr. Cadieux (Terrebonne): I am sorry, Mr. Chairman, but I do not have it; I presume the minister will be here any minute now.

[*English*]

Mr. Orlikow: Mr. Chairman, I would object to the passing of this item before we receive this information. I had the opportunity, last Sunday, as I am sure other members of this house had, of watching a program which, incidentally, is not my favourite one, "This Hour Has 7 Days", but which presented a story of a woman whose husband, while in the process of his duty as a member of the armed forces making a trip between Ottawa and Toronto stopped to eat, as any sensible person might do, and was hit by a car and killed. This case has been before the pension board on many occasions during the past eight years. Yet that board in its wisdom, acting as my lawyer friends might do, has found reasons on every side of the argument to turn down an application for a pension. I find it difficult to understand how the pension board can be so tough in a case of that kind, while at the same time pensions are being given to people in the prime of their lives through the transparent gimmick of dating

their enlistment ages as nine, 11 and 12. I am sure the minister with his tremendous staff could get information in respect of these retirement ages. If he cannot I suggest we ought not pass this item.

Now that the minister is here and before we pass this item I should like him to give this committee some information about the department's directorate of information services which, according to an answer given to a question posed by my colleague, the hon. member for Greenwood, has a staff of 76. Why does the Department of National Defence need 76 people to staff the directorate of information services who are, in effect, public relations experts? Why does the department need public relations experts, other than for the obvious reason that the Minister of National Defence needs to build up his image so as to become the next leader of the Liberal party? He may be a very good leader of that party, but I do not think his ambitions in that regard should be assisted by the public treasury through the operation of this directorate of information services with a staff of 76. I think we should get some answers to the questions we have asked.

Mr. Woolliams: He has not answered any questions.

Mr. Orlikow: He has not answered any questions, that is true. We should also receive some information about these retirement ages and enlistments dating back to ages nine, 11 and 12. That certainly is a good trick if the minister can get away with it. Perhaps we could find other groups in the public service who could be retired in this same way.

An hon. Member: How about members of parliament?

Mr. Orlikow: Somebody suggests members of parliament, but I was thinking of some of those civil servants who were retired on pensions of less than $25 per month about which my colleague, the hon. member for Winnipeg North Centre, has talked so often in this house. I should like an answer to my questions and an explanation about the directorate of information services, or the directorate of public relations or publicity, whatever it might be called. Surely we can expect an answer to these questions before we pass this item.

Mr. Hellyer: The directorate of information services is one of the first branches that was integrated after the bill was passed a year and a half ago. Formerly each of the three services had its own information service branch which provided information to the press and to interested citizens of all kinds. They also conducted tours and performed a number of tasks of this nature, including the publication of magazines. As hon. members will recall, each of the services had a magazine. There is now only one directorate of information services on behalf of the three armed forces. This was accomplished after the bill was passed and we reduced the number of personnel by 60 per cent. This represents one of the major savings accomplished at the outset of integration and amounted to over $1 million per year. It was also referred to by the Royal Commission on Government Organization. As a result of the law passed we were enabled to integrate our headquarters and reduce the number of personnel in this area by about 60 per cent, with a savings to the taxpayer of about $1 million per year.

Mr. Orlikow: That savings is all very well, but it seems to me from everything I have heard that each year our defence efforts cost more money while each year we have fewer people in the forces and spend less money on weapons and equipment. Perhaps in this same way we could reduce our expenditures by another half a million dollars or so. Surely we do not need public relations people in national defence. If we need armed forces at all it seems to me we need fighting men rather than public relations men. I am satisfied the fact is that we have cut our expenditures in the way the minister has suggested, but perhaps we should have cut them more.

Mr. Hellyer: The people employed at this time in the directorate of information services work very hard. It has small organizations in various parts of the country to which the press and other interested people have access for information, as incidents occur in the normal course of events; for feature articles on the service; and to keep the people abreast of service developments. This includes the overseas staff which is involved in this same kind of work. It also includes the staff who prepare the armed forces magazine, the *Sentinel*, as well as the people who perform this task for the Department of National Defence.

I can inform the hon. gentleman that the number of people employed in this branch is so small that they must work very hard indeed. I do not think it would be possible to cut the staff any further without reducing

below a minimum level the services they provide to the Canadian public.

I would also like to say, because I think it is important, that the hon. member is doing these people an injustice if he thinks they are in any way involved in public relations on behalf of the minister. That is not so. This organization is under the direction of the deputy minister and provides information for the public, so far as the department is concerned, and the three armed forces. They are very careful not to get involved in those areas which my hon. friend knows would be outside the jurisdiction of public service.

Mr. Orlikow: It is very nice to know that the minister writes all his own speeches without any assistance from the personnel of his department, if that is true. I take the minister's word in that regard, of course. He is the first minister in any government at any level that I am aware of who does not receive that kind of assistance.

The minister did a tremendous job last night in attempting to destroy all the arguments and criticisms of the opposition. Perhaps he will reply to the criticism of his department by the Auditor General who certainly cannot be accused of being politically partisan. I refer particularly to the criticism in respect of the retirement of service personnel and the method which was used to give them full pensions by dating their enlistment ages as 9, 11 and 12. It seems to me that the minister has a duty to the country to explain his side, if he has one, in this regard.

Mr. Hellyer: Mr. Chairman, I shall deal with that question later. In the meantime the Leader of the Opposition asked for information respecting the number of cars at the disposal of National Defence in Ottawa for each of the last three or four years. Cars on strength of the No. 9 transport company in 1963 were 37; in 1964, 37; in 1965, 37 and in 1966, 37.

• (7:10 p.m.)

In addition, there are three limousines on strength which are used to provide transportation for visiting heads of state and dignitaries.

Mr. Lambert: Mr. Chairman, it is very instructive for the minister to indicate that certain economies have been made in, say, the information services and to claim that this has saved the Canadian taxpayer $1 million a year. But I think he should also disclose that in his own office the number of personnel has gone up from 630 to 703 and the additional salaries paid amount to $500,000 a year. This is just a little counterbalancing. May I say that some of these additional personnel are at very senior levels. I am referring to the reorganization in the minister's office. This matter falls under item 1, Mr. Chairman; I have gone back just by way of contrast. This is a fact and I think attention should be drawn to it.

Mr. Hellyer: Mr. Chairman, the principal reason for this is the fact that the chief auditor on the civil side at headquarters has now assumed the internal auditing responsibility for the whole department. This increased staff was required by him.

Mr. Lambert: Are any of this additional staff service officers who have retired and taken on a civilian job? It is all very well to say that the headquarters personnel has been reduced in strength. The minister has claimed that this is one of the great economies that has been made. However, in so far as the exchequer is concerned, quite apart from the question of pay, it does not matter whether the man wears a service or a civilian hat, if he is still there, has a responsibility and is part of the administration at national defence headquarters.

Mr. Hellyer: If a service officer competes in a civil service examination and is successful, he is eligible for one of these jobs. In so far as the total number is concerned, if this was the point my hon. friend was trying to make, the figure I gave the other night of a reduction of over 1,000 so far was a composite one of headquarters civil and military staff.

The Chairman: Shall item 15 carry?

Mr. Churchill: No.

Mr. Dinsdale: Mr. Chairman, two questions I should like to raise concern the Associate Minister of National Defence more than the Minister of National Defence. They have to do with pension problems arising out of the program of integration which has led to certain confusion, as we have heard during this discussion, and it has resulted in one or two pension problems not clarified as to policy.

First of all, I understand that in cases of premature retirement, unless the serviceman concerned has accumulated 20 years post-war service he is not allowed to count his wartime service in calculating his pension. I do not know whether I have the details precisely accurate, but this is one of those problems that arises from time to time in other fields.

This problem with regard to pensions arises in public administration when a group falls outside the stipulated category and as a result there is considerable unfairness as far as pensions are concerned. This is particularly true in respect of those in the services who are not able to count their wartime service in their pension benefits.

The second problem also has to do with pensions. This is a long standing difficulty, and I know from past inquiries which I have made that consideration has been given to resolving this particular anomaly. I refer to the difficulty of retired military personnel of the rank of warrant officer and above who are not allowed to exceed a pay ceiling in pursuing a civilian occupation with some branch of the government service other than the military; that would be greater than the pay ceiling corresponding to that which they would have received in the equivalent rank. In other words, Mr. Chairman, they are on pension, and upon retirement are successful in finding employment in some branch of the civil service, and regardless of their qualifications—and there are very highly qualified people in the armed forces today, as we know —they must take an arbitrary cut in pay because of this arbitrary regulation.

Both these matters have to do with administrative procedures and I am sure the minister and the department could regularize them if they so desired. Has the minister any comment to make on those two points?

[*Translation*]

Mr. Cadieux (Terrebonne): Mr. Chairman, I agree completely with the first point made by the hon. member and, like him, I deplore the fact that, in the case of some veterans, war service does not count for pension purposes.

That matter is now under consideration. We will make representations to the authorities concerned and we hope to win our case. I do not want to say more at this time. I know that it is a serious problem. I am aware of it and I share the hon. member's views.

With regard to the second question, I must give practically the same answer. An order was issued by the Treasury Board; definite representations have been made in that regard and we are also studying that problem in order to find an adequate and fair solution.

[*English*]

Mr. Dinsdale: Do I conclude from the minister's statement that both these matters are under very active consideration?

[*Translation*]

Mr. Cadieux (Terrebonne): That is the expression I used.

[*English*]

Mr. Dinsdale: Very, very active consideration, I would trust.

Mr. Knowles: Mr. Chairman, I wonder whether the Associate Minister could say a further word as to what he meant when he said that the first of the matters just raised has been taken up with the appropriate authorities. The minister may or may not recall that I have had correspondence with him about this very matter, and I understood from the correspondence that he at least was sympathetic to making the necessary amendment to the legislation.

Is not the appropriate authority in this matter the cabinet, of which we have two distinguished members before us? Cannot they prevail upon this appropriate authority to take this action, since they now seem to agree with us?

[*Translation*]

Mr. Cadieux (Terrebonne): If the hon. member can recall my letter, I think it told him that I would make a recommendation to my colleagues in the cabinet, but that I could not anticipate the decision that would be taken. That is precisely what I will do: make a recommendation.

[*English*]

Mr. Knowles: Mr. Chairman, may I confirm that this is what the Associate Minister said to me in a letter. I just thought it should be clear here that these appropriate authorities were not some mysterious people in some other place but that they are the members of the cabinet.

• (7:20 p.m.)

Mr. Peters: Mr. Chairman, the matter of pensions and their relationship to the individual has been raised. I probably should know something about this question but I must confess that I am always at a loss to understand the relationship between service personnel, the pension board, the Department of Veterans Affairs and the war veterans allowance board. In regard to these bodies I do not know whether there is any relationship with service personnel. The hon. member for Winnipeg North mentioned a television program of the other night which dealt with a case in point. This ruling, I presume, was made since the war and therefore, in my

opinion, the decision would not be made by the Canadian Pension Commission but would be made by some agency under the control of the Department of National Defence, I may be incorrect, but it seems to me this must be true. If it is true, I suggest the minister cannot hide behind the pension board by saying that the parties have a right of appeal. If I am wrong, and the parties do have this right, then I feel it is within the minister's jurisdiction to change that provision with regard to the discretionary powers of the Canadian Pension Commission, because obviously the commission has never used it.

On a number of occasions the hon. member for Swift Current-Maple Creek has requested that these matters under dispute be referred to the courts for a final decision. In other words, the minister should waive the Queen's prerogative by allowing service personnel to sue in the courts for redress, rather than stopping at the Pension Commission. I may be wrong in saying such matters do not go to the Canadian Pension Commission but are handled through another agency under the Department of National Defence. However, I believe that since the question has been raised members of parliament are going to have to settle it now. They are going to have to settle it in the Department of Veterans Affairs or the Department of National Defence. The minister should be prepared to give us an assurance that he is willing to make that change which will allow service personnel to sue in the courts as a final appeal against a decision of the pension commission, a course that cannot be followed at the moment.

Mr. Hellyer: This act is administered by the Department of Veterans Affairs, so that I have no direct responsibility under it. I think the correct place to direct the question would be to the Minister of Veterans Affairs.

Mr. Peters: May I ask the minister under what regulation or in what manner we were able to bring service personnel under this section of the veterans affairs branch during peacetime? They are being treated in a completely different manner from the way in which they were treated previously when serving in a theatre of war. We are aware of no changes that have been made in the method of treatment, but there must have been some act or regulation passed which allowed the Department of National Defence to use some other agency for employee relationships. In other words, we were aware of the fact we had to pass special legislation to allow the Korean war veterans to receive pensions for war service. This was a special piece of legislation.

The minister is now saying really that he has been able to put all the service personnel under the veterans affairs branch. I have no objection to this, of course, except that it does not sound reasonable in the light of the experience I have had with a number of cases. Obviously, when service personnel were on duty 24 hours a day in Germany, they were on active duty. There was no period when they were on duty and when they were off duty. They were under the direction of the army.

I have one example in which I was particularly interested. An order was given by a commanding officer to have all the employees bring their families to the base for inoculation because there was an epidemic taking place in that town. The airman in question picked up his wife and young daughter and brought them to the base. They were inoculated by the air officer in charge and taken home. The airman had not completed his eight hour shift and he was on his way back to the air base when he was killed. The argument was used that there could be no compensation paid in this case because, while it was true the airman was under orders and his shift had not been completed, he was not acting in line of duty.

In the war, if you were killed it did not matter if you were asleep or awake, you were still on duty and you were covered by these provisions. I believe the problem raised by the hon. member for Winnipeg North is a very important one. Every Canadian was shocked and embarrassed to realize that it made a difference whether you were going into the house when you got killed or whether you were coming out of the house. Veterans affairs do not usually play it that carefully; they are usually more lenient about these cases. The decision seems to hinge on the fact that we are not at war. Service personnel in peacetime are not really under the same restrictions as service personnel during a time of war, and this fact has been reflected in the treatment they have received. I think all Canadians were shocked to find that this was so. If it is so, we are going to have to cover them by an insurance policy or through some other method. We do believe that service personnel who may be killed, whether or not they are on duty, should be covered by some regulation or some act.

We had to pass some special legislation to bring the Korean war veterans under the Department of Veterans Affairs. I think the Canadian people are really interested in this question now and we should do something about it.

Mr. Churchill: In so far as the subject the hon. member for Timiskaming was discussing is concerned, the Minister of National Defence is quite correct in saying it comes properly under the Minister of Veterans Affairs. However, the Department of National Defence has an interest in this problem. I believe it is section 13(2) of the Pension Act, a very troublesome section in my opinion, which covers whether a man is on or off duty. I believe it has been very improperly interpreted over the years. I remember that during the time I was Minister of Veterans Affairs I tried to get this altered, but before that happened the public had different ideas about where I should sit in this house. The matter should be pursued through the Department of Veterans Affairs, and if a revision of the Pension Act comes up this year, then it should be dealt with. It is a very serious and important matter.

I agree with most of what the hon. member for Timiskaming has said. The Minister of National Defence, in this particular instance, is not responsible because it is not under his jurisdiction. There is a moral responsibility on the Department of National Defence to try to solve this problem.

• (7:30 p.m.)

Some years ago we tried to solve it by appointing a joint committee from Veterans Affairs and National Defence to see whether the insurance principle could be adopted, thus removing it from the Department of Veterans Affairs. That is the situation as it stands at the moment. Before this particular session ends I hope the house will make certain that that section is either removed from the act and responsibility placed on the Department of National Defence, or else it is so modified that there will be none of this disputation as to whether a man is on duty or off duty when he is obviously in uniform, under orders, and going from place A to place B. We could cite a dozen cases tonight—I have had them myself —where an injustice has been done to the survivors.

The Chairman: Order. The Chair has not intervened in the argument that has been going on for the last few minutes because it recognizes that there is a relationship between the Department of National Defence and the Canadian Pension Commission. While at this time I should not like to make a firm ruling, I would suggest to the committee that this item would be more properly discussed under the estimates of the Department of Veterans Affairs.

Mr. Peters: Mr. Chairman, I do not want to pursue the matter unduly, and I am not arguing that it does not come under the purview of the Canadian Pension Commission. I am wondering what the staff of the Department of National Defence has done and what they are prepared to do to see that this situation which has arisen is corrected.

I am quite willing to accept that it exists in some other departments, but this department is responsible for the service personnel of today. If we are not satisfied with the arrangements we make for them and we object strongly enough, then I think the situation will be changed. I am sure they have thought about this. In the case of peacetime personnel we are really buying service from the Department of Veterans Affairs. They cannot be veterans if they are providing service now, though they may be veterans through previous service. All the department is doing is subletting the responsibility it has to provide compensation for the injured and killed to the Department of Veterans Affairs.

I am sure the department must be aware that when the type of accident to which we have referred happens, everybody on the base knows that Mary Jane is left with no support, and that she is put into a position into which she would not be put, had her husband not been killed. On the other hand, if her husband had been working in Toronto and had slipped on a bar of soap in a washroom and broken his neck, he would get compensation. There was a case in the mines concerning someone working from collar to collar, although it did not involve taking a shower. However, in the ordinary case compensation would be provided.

I hope the minister will tell us what he is going to do about this. Surely his departmental officials have considered the alternative of providing compensation out of the government treasury under a compensation act. It is very easy to sublet this responsibility, but if this is done I think there is an obligation to see that the right type of service is provided. I suggest it is of prime importance to many people that this be done.

I am prepared to fight the Canadian Pension Commission and the veterans affairs legislation surrounding it over decisions which the commission make. I am also aware of the limitations of the legislation. But the fact is that we have service personnel who in my opinion are not getting proper coverage. I think the minister should be willing to tell us what he is going to do about this and whether he and his colleague will insist that the situation be corrected or an alternative suggested.

Mr. Hellyer: Mr. Chairman, in the case my hon. friend has described I can only say that I am surprised the situation was not covered. Perhaps he would be good enough to give me the details, and I can inquire into the matter, unless it has already been looked into. We certainly agree that we have a responsibility in these matters to make sure that justice, or more than justice, is done, and that there is the best possible arrangement made for the dependents of the men and women of the armed forces.

It might interest my hon. friend to know that we have extended the coverage to include United Nations operations, such as in Cyprus, where the risk principle applies. It has not been applied in all areas, such as in Europe and here at home, but we would certainly be willing to take this matter under consideration and see whether it would be possible to provide coverage.

Mr. Peters: The risk principle is not too well known to most people. How is this risk principle applied in Cyprus? It is also probably applied in the Gaza strip, in Israel, and in the Congo.

Mr. Hellyer: Does the hon. member mean, how do we select these areas?

Mr. Peters: Yes, how do you designate an area?

Mr. Hellyer: The extension of the insurance principle to these areas was done under the act by order in council, I think.

Mr. Peters: Is this insurance then paid to the other department? This principle implies a greater risk which cannot be covered in the normal fashion. Is there an interdepartmental accounting system which gives added protection for certain areas?

Mr. Hellyer: No. This is just changing the coverage provided by the act. The application is covered by law under the Canadian Pension Act. There are regulations under the act, and areas of coverage can be extended by regulation. You can extend the insurance principle, as is done in cases of active service, and this same principle would apply in Cyprus and in other areas where we are involved in United Nations operations.

Mr. MacInnis (Cape Breton South): Mr. Chairman, I would ask the minister to clarify whose responsibility it is to assess an early retirement pension; and whose responsibility was it in the case of pensions based on service going back to the ages of 9, 11 and 12? Is this not the responsibility of the Department of National Defence, or are such cases passed over before retirement to the Department of Veterans Affairs for handling?

Mr. Hellyer: Mr. Chairman, the responsibility for this is set by law. Also, what is received is determined by law. The law was merely applied in these cases as it existed, and was administered by the Department of National Defence.

I am now in a position to give the information which—

Mr. MacInnis (Cape Breton South): If the minister does not mind I should like to follow up that question, instead of his referring to information he has had prepared for him by somebody else.

• (7:40 p.m.)

Since it is the administrative duty of the Department of National Defence to assess pensions in the cases of early retirement as indicated in the Auditor General's report—I refer to the cases which indicated an enlistment age of 9, 11 and 12—does the minister not feel with regard to men who are now in the forces that he has some responsibility toward servicemen who are killed while in uniform, or in any event while presently serving? I would appeal to him to take into consideration the case of Sergeant Hamood, who was killed in Germany while on his way to work in uniform with his commanding officer. His wife and children have been denied a pension because the Pension Commission insisted that he was not on duty, which is a ridiculous situation. If the minister is fully aware of the fact that he is in uniform, he is on duty.

Mr. Hellyer: This matter is governed by the Pension Act, Mr. Chairman. This department may make representations, but it does not administer the act.

Mr. MacInnis (Cape Breton South): Will the minister make representations on behalf of Sergeant Hamood who was killed while riding with his commanding officer.

Mr. Hellyer: We shall certainly be glad to look into this.

Mr. Orlikow: Mr. Chairman, would the minister care at this time to answer questions respecting the enlistment age of persons entitled to pensions, which was mentioned earlier. I am sure the members of the committee would be interested to have that statement.

Mr. Hellyer: Mr. Chairman, this is in respect of ages of people who were retired. May I read my information in order to put it on the record.

Wing Commander W. G. Taylor was nine years of age, almost ten, or within a few days of being ten, when he enlisted in the non-permanent active militia on the eighth day of the seventh month, 1927.

Mr. Diefenbaker: Did he indicate that he was nine years old when he enlisted? What age did he give on enlistment.

Mr. Hellyer: I am afraid I shall have to ask my right hon. friend's indulgence in that. He left the non-permanent active militia on the fourteenth day of the sixth month, 1937.

Flight Sgt. J. C. Baker was 11 years old when he enlisted on the sixteenth day of the tenth month, 1926.

Mr. Herridge: With what regiment?

Mr. Hellyer: He left the non-permanent active militia on the seventh day of the second month, 1936. Apparently he rejoined the militia on the thirtieth day of the third month, 1936, and left again on the second day of the ninth month, 1939.

Lieut. Col. William Alton was aged 12—

Mr. Herridge: The church lads brigade.

Mr. Hellyer: —when he enlisted on the twenty ninth day of the eleventh month, 1927. He retired from the militia on the eighteenth day of the seventh month, 1938. Major R. W. Hampton was 12 when he enlisted on the first day of the tenth month, 1926. He retired from the militia on the first day of the seventh month, 1931. Sergeant D. W. Hopkinson was aged 12 when he enlisted on the third day of the fifth month, 1933. He retired from the militia on the thirty first day of the eighth month, 1939.

Mr. Herridge: What was his rank on enlistment?

Mr. Hellyer: I do not know what it was officially called. I suspect it would be private, or perhaps boy or apprentice.

Flight Sgt. C.F. Page was aged 12 when he enlisted for the first time on the fifth day of the fourth month, 1933. He retired from the militia on the fifteenth day of the fourth month, 1936. He re-enlisted on the nineteenth day of the first month, 1939 and then retired from the militia on the thirty first day of the eighth month, 1939, about when the war broke out.

Mr. Herridge: Mr. Chairman, may I ask the minister whether the regimental records or the battalion records are available with respect to these enlistments?

An hon. Member: You had better explain what you mean.

Mr. Hellyer: The units are on the statutory declarations, but I do not have them here.

Mr. Herridge: Are the units that you mentioned on the statutory declarations? What I really meant was, are the records of these battalions still in existence?

Mr. Hellyer: No, Mr. Chairman.

Mr. Herridge: That is rather unfortunate.

Mr. Orlikow: Mr. Chairman, it seems to me that the minister owes to the committee and to the house a great deal more explanation than he has given. I know that in Winnipeg young people are joining the cadets, but I have not realized that the cadets or the militia permit people to join at ages of 9, 10, 11 or 12. I still do not believe that. I am rather skeptical about this report. I am sure the minister would not knowingly give wrong information to the house, but I want to say to him that I, for one, doubt every word in every illustration which he has given to the house. I think the house is entitled to an explanation which makes some sense, which the minister's statement certainly does not make to me.

Mr. Herridge: Mr. Chairman, has the minister tabled the army regulations relating to dates of enlistment in the militia, of that time? They were in existence, I take it?

Mr. Hellyer: The regulations I quoted earlier, which applied, permitted enlistment at age 13 in special cases. Four of the men mentioned here were approaching their thirteenth birthday at the time they enlisted. One or two got in a little earlier than the others.

Mr. Dinsdale: Mr. Chairman, last Friday I raised the question of the simulator for the CF-5. I pursue that again at this hour because we have not had any further comment about the simulator, other than at an earlier period

both the Minister of National Defence and the Minister of Defence Production had no knowledge that the simulator had been purchased in connection with the CF-5 program. I think that this might be quite true. I presume the reason for the specific lack of knowledge concerning the simulator arises from the fact that in the major purchase of any aircraft of this kind, the simulator automatically goes with the whole procedure. I presume that the reason why the simulator program was cancelled is because the United States armed forces are not going to buy the CF-5, and therefore it is not considered financially feasible for the Canadian armed forces to proceed with the simulator.

On the other hand the Associate Minister of National Defence has indicated that several other countries are going to purchase the CF-5. It seems to me that if we are to make the best possible job of what appears to be less than the best aircraft, we have to have the basis for sound training, and you cannot have sound training without the simulator or without a ground training device of some kind. Before any final decisions are made about this, and that is why I bring it up at the moment, Mr. Chairman, I think the minister would be well advised to review this decision. Obviously $50,000 has been invested in the simulator program already. It seems to me that we are not going to have adequate training unless we proceed with this ground trainer.

Mr. Hellyer: Mr. Chairman, the hon. gentleman is correct when he says that normally a simulator is required. On this basis the technical branch of the forces sent notice to the Department of Defence Production that a simulator would probably be required, for information only. The Department of Defence Production on the basis of this probability decided that they might invest some money from their revolving fund in the development of a simulator, in order to gain some months lead in the development of it, with the hope that the department would be able to make sales probably to other countries, as well as making it available for the R.C.A.F. In December, and I am speaking from memory, the operators advised the technical branch that the simulator would not be required. This advice was sent immediately to the Department of Defence Production and the project was cancelled at once. It had no relationship whatsoever to any inclination or otherwise of the United States air force to acquire this aircraft.

[Mr. Dinsdale.]

• (7:50 p.m.)

Mr. Dinsdale: Is the minister saying that the CF-5 does not require this sort of device to assist in the training program? It would appear to me that this represents an extreme departure from the training procedures which have always been carried out in the R.C.A.F.

Mr. Hellyer: That is exactly what I am saying. According to the best advice available in the department the simulator is not required. We have a number of planes with dual controls and to the extent that training of this type is required it will be done in these aircraft. But it is felt that simulator time in addition to dual time is not necessary.

Mr. Hales: One brief observation before leaving this vote. I should like to direct the attention of the minister and of the committee to the observations made by the Auditor General when he called attention to the case of nine naval officers who left Halifax to go to Victoria on a course. They went in separate cars—nine men, nine cars. They travelled all the way to Victoria and back in connection with a course which lasted from January to May. Allowing for ferry services, meals and other travelling expenses it is estimated that this cost some $5,282, whereas had they travelled by a service aircraft their journey would have cost approximately $600.

We have heard today examples of every kind of extravagance in the minister's department. I realize the example I have just given may relate to an item in the former estimates but I am asking the minister whether he has re-evaluated the system of travel arrangements in his department in an effort to reduce this continual waste of the taxpayers' money—waste which is going on all the time. Every day, as has been pointed out, cars are running around on errands unconnected with official business. I trust the minister will be able to give us a good reason for all such journeys in future.

Mr. Hellyer: The regulations provide that the commanding officer may decide what means of travel is used by his personnel on official business. He is allowed to take into consideration a number of factors, including morale, the need to have a car at the other end of the journey, and so on. I think it is right that there should be a certain amount of delegation of authority. If there is any one thing which we tend to do in large organizations it is to centralize too much authority and require more decisions to be made at higher levels than is really justified.

Since this particular incident was brought to my notice, however, we have sent out instructions to the effect that commanding officers should be more careful to consider the relative cost of alternative means of transportation when they authorize travel.

Mr. Herridge: I am sorry to trouble the minister again but I wish to return to this intriguing episode of the enlistment of boys in short pants in the armed forces of Canada. I am sure the minister wishes to give us all the information he can. Would he agree to having all those persons mentioned by the Auditor General called before the defence committee so that they can explain in detail how these lads were enlisted at that time and in what circumstances; the regiments to which they belonged and the services which they performed before they reached the normal age of enlistment?

Mr. Hellyer: These gentlemen are all retired from the service now. But every case has already been thoroughly investigated. Our legal department has reached the conclusion that in all cases the evidence presented was valid—and the application of the law is based on valid evidence.

In these circumstances I think the only course open to the hon. gentleman, if he feels this practice should be ended, would be to introduce or support amendments to the law which would obviate these payments to people who serve at a certain age.

Mr. Herridge: In reply to the minister I would say that the first thing to do would be to move an amendment to the National Defence Act providing for the raising of the age of enlistment in the armed forces of Canada. It is not fair to have people of nine years of age enlisting in the army. It is going too far.

An hon. Member: How old were you?

Mr. Herridge: Eighteen. Would the committee not have the right to call these people to whom I have referred?

Mr. Churchill: It would be up to the committee.

Mr. Hellyer: I cannot answer that question offhand. I believe the standing committee would have the power to call witnesses if it wanted to. I think the relevant committee would be the Public Accounts Committee, because this affects an item which is now included in the Public Accounts.

Mr. Nielsen: I was interested in the minister's promise yesterday in reply to several questions put to him by members on this side of the house that he would explain to us the performance capabilities of the CF-5. I can recall in particular questions about the take-off run, the length of runway required, and this somewhat astounding capability of the CF-5 to land on grass. The minister was also talking about the ground support role which this aircraft could play.

Would he now fulfil his promise of yesterday and elaborate on these matters for the benefit of those of us in the opposition who are not quite so technically informed as is the minister?

Mr. Hellyer: If the hon. member would look at the record I think he will find I said that this information could best be given before the standing committee which will be meeting in a few days, and before which all this information can be given, such as take-off characteristics, performance at different altitudes under varying loads, and so on. This would involve more technical information than it would be appropriate to give before the committee of the whole house.

Mr. Nielsen: I think I recall the minister's promise last evening. He specifically mentioned vote 15 on which all this elaboration and enlightenment was to be forthcoming. Surely the minister can enlighten the committee this evening on all these matters, particularly in view of the lengthy and detailed statement in support of the aircraft he gave to us last night?

Mr. Hellyer: I think the hon. gentleman has juxtaposed two things in his mind. He could confirm this, I believe, by looking again at the record. In view of the fact that there are so many different conditions in respect of which he would, no doubt, want information concerning the performance of this plane, the best place to have an answer to these questions is in the standing committee, where officers could show charts and graphs of performance over a wide range.

Mr. Nielsen: I would be prepared to wait for the meetings of the committee if the minister was prepared to tell us this evening that because of his limited knowledge of the performance capabilities of this aircraft he is incapable of advising us with regard to them. Otherwise I think we should have an explanation tonight. If the minister would go so far as to admit this, I am prepared to be patient.

Supply—National Defence

• (8:00 p.m.)

Mr. Herridge: Would the minister inform us as to the role of honorary colonels in the new integrated armed forces?

Mr. Hellyer: The answer to that question, Mr. Chairman, is too involved and too detailed for discussion at this moment, but I would be glad to take it up with my hon. friend some afternoon over a cup of tea.

Mr. Bigg: Would the minister look into the whole matter of consolidation of pensions with respect to armed forces personnel? I studied this subject in great detail. There are many anomalies in the services. People who were in the armed forces during world war II do not have their service counted when it comes to a matter of consolidating with civil service pensions or R.C.M.P. pensions. The minister, as the man intimately involved in this whole problem, should examine it carefully.

The minister is having great difficulty keeping personnel in the armed forces. One of the reasons is that they are not clear how long they are going to be able to serve, and what type of pension consolidation they will have if they join the civil service or mounted police. They do not know this either with respect to broken service. Private business is calling young men away from the forces to fly commercial aircraft, to work in the technical electronics field, and to work as mechanics, and these young men should know what their position is with respect to pensions.

While he is at it the minister should look into the pensions of those who served 20 and 30 years in the armed service, going back as far as the South African war. Some of these people are living on pitiful pensions. Having served in the armed forces myself, I know that those who are still in the forces are worrying about whether or not they will get a square deal from the department. If this matter does not come entirely under the minister's purview then the Cabinet, Treasury Board and the Pension Commission should get together on it and see that no matter what branch of the armed services, or of the public service a man is in, he should get the same kind of deal as people serving in another branch. If we can give pensions backdated to the age of 9, 10, 11 and 12 years, then men who have served from the age of 21 until retirement should have a living income.

[Mr. Nielsen.]

Mr. Nielsen: Mr. Chairman, I was trying to turn up the commitment which the minister made last night and I am satisfied my recollection is accurate that he said he would discuss these matters under vote 15 in committee. In the interval he has had the opportunity to refer to his experts, one of whom on his right I had the privilege of serving under in the air force. Surely these answers are available to him, in view of the fact that he has his officials before him.

Mr. Hellyer: Mr. Chairman, I really do not think it is too helpful because there is such a wide variation of conditions that to start with just one or two figures would not be helpful. In view of the fact that the committee I was referring to, the standing committee, is going to be formed within a few days—I think the organization meeting is on Thursday and it will probably be starting its deliberations next week,—it could have full information on this subject and an opportunity could be provided to it to go into some considerable detail over the wide range of possibilities that would interest my hon. friend.

Mr. Nielsen: The minister made a very wide ranging speech last night. He went on for pages and pages in *Hansard,* dealing with the role of the CF-5. We are now on the vote that is going to authorize the expenditure of millions of dollars for an aircraft the role of which is in some doubt, the economics of which are in some doubt. The minister elaborated in some detail, but not sufficient in the view of many of us, on the role this aircraft would be playing in the defence fabric of the country. He stressed particularly the ground support role. It is my own view that this aircraft is unsuitable for a ground support role, and certainly this would appear to be the case according to the opinions of the experts I have read and spoken with.

The ground support role the minister was speaking of last night at such great length could at least be elaborated on this evening for members of the committee. I do not think we can simply gloss over it, in view of the millions of dollars to be spent on the aircraft. I believe it is only right that we, and the country at large, know precisely how this aircraft is going to be employed, and what justification the minister has, on the advice of his experts, for suggesting it is the most suitable aircraft to fulfil the role for which it is being purchased.

Mr. Hellyer: As I explained this afternoon, Mr. Chairman, the aircraft is an additional

arm in support of the land forces. It is to provide additional firepower and air support. It will be formed in squadrons and in an air brigade under the command of mobile commander, to be used by him in support of the balance of his force in the way that any other arm would be used.

The techniques of supporting ground forces are well known to my hon. friend. There is nothing strange or mysterious about them, except that it has been a long while since the R.C.A.F. was involved in this particular role. It is one in which it excelled in world war II, and one which is becoming of increasing importance in view of the real strategic situation in the world today, with the likelihood of conflagrations involving active air defence or in which the use of the nuclear strike squadrons in Europe is diminishing, and where the likelihood of having to use something short of that, such as ground support aircraft in other parts of the world, is considerably greater so far as probability is concerned.

Therefore I think the role has been well established and I think the evidence will show that for the purposes we have in mind, for getting into the tactical aircraft business again, this is a good decision and it will be a first class aircraft for the particular task being assigned to it.

Mr. Nielsen: Would the minister mind answering one or two of my specific questions while he has his experts here? Can he tell me, for instance, what is the speed his experts feel advisable should be the capability of a pure jet aircraft such as the one under discussion in a ground support role, and what heights the minister, again on the advice of his experts, believes that ground support is necessary in which to employ the CF-5?

Mr. Hellyer: Mr. Chairman, I think this is the kind of information that can much better be dealt with before the standing committee.

Mr. Diefenbaker: We want information. We want none of this evasion that went on last night. We want answers.

Mr. Hellyer: I do not want to enter into an argument with my right hon. friend—

Mr. Diefenbaker: I hope not.

Mr. Hellyer: I don't want to do that, but he has had some problems with airplanes in his day.

Mr. Diefenbaker: But I never used them during an election campaign to find out their practicability.

Mr. Churchill: What height were you flying at?

• (8:10 p.m.)

Mr. Hellyer: He started out with a high altitude interceptor and tried to make a low level bomber out of it. This is not too long ago, and when it comes to a choice of aircraft, and modification to make it suitable for a particular task, he is quite an expert, having gone through it once or twice himself. I think you will recall, because of this, probably just how complicated and difficult it is in the committee of the whole house to use figures in the circumstances which are meaningful enough to be helpful.

Mr. Nielsen: Will the minister say that he does not know?

Mr. Hellyer: No.

Mr. Nielsen: Then will the minister answer my questions; there are two very simple questions, questions which the minister should be able to answer with the officials he has before him. My own belief is that the aircraft does not have this performance capability that would allow it to be used in the role in which it is intended to employ it. Whether or not my view on the matter is correct, surely the minister is going to be gracious enough to allow the rest of us to share in this tremendous knowledge he has of these technical matters, and particularly when the two questions are so brief and simple.

Mr. Hellyer: I think I should refer my hon. friend to the interim reports on the Skoshi Tiger tests which were in the same kind of a ground support role, including interdiction, in the Viet Nam war, and where the airplane has performed admirably under those circumstances; where it was able to deliver on target a vast quantity of stores; where it was able to perform a very high number of sorties; where the cost of keeping it in operation, because of the low number of man-hours required per flight hour, was very low; where the attrition rate was very low, because this aircraft is less susceptible to ground fire than some of the other airplanes which my hon. friend might be thinking of; and where there were many other tests that it was subjected to in respect of which it performed admirably in the type of role that we would expect it to perform.

Mr. Churchill: What does that mean?

Mr. Nielsen: The minister has made a concerted effort to dazzle us with his footwork. The question I asked him remains

unanswered. I remember that when the minister was on this side of the house in the opposition asking specific questions about specific weaponry of the then minister of national defence he was not satisfied until he got his answers, which usually were much more rapidly forthcoming than we are experiencing this evening. Surely, to these very simple and brief questions, the minister has an answer.

Mr. Hellyer: Certainly the altitudes required for ground support are not great, and this particular airplane has an exceptional performance up to 20,000 feet, below which it can cope with practically any aircraft you can name. It can excel in most cases. It can outfly the 104, for example, in that envelope; it has very fast acceleration, supersonic dash capability, a good turning radius, and a very good capability in respect of that envelope in which the plane is operating. I think this is the specific answer to my friend's question.

Mr. Nielsen: It is, within 20,000 feet; but I do not regard 20,000 feet as ground support, to revert to the technical role of this airplane to which the minister referred. Immediately after the last war, in a similar role, I think in terms of ground support as being at much less altitude than 20,000 feet. The minister and I may have a different concept of what ground support means. This just leaves the question hanging at 20,000 feet.

Mr. Hellyer: I think my hon. friend is trying to confuse the issue.

Mr. Nielsen: Let us get along to the question, which remains unanswered, and that is the question concerning its speed.

Mr. Hellyer: It has a top speed in the vicinity of 1,000 miles an hour, which is plenty fast enough to engage any target that might come within its envelope. The flying characteristics which I outlined are such that this aircraft can stand up admirably to anything that might attack it in the altitude envelope in which it would operate.

Mr. Nielsen: I may be a year or two or more removed from the modern concept of what ground support really means, but is the minister suggesting that 1,000 miles an hour at 20,000 feet is the modern concept of what ground support must be in this new role of the air force?

Mr. Hellyer: Most certainly not, Mr. Chairman, and I am shocked at the hon. gentleman's suggesting this. Ground support is subsonic on the deck; that is what the airplane would operate at in most cases. The advantage of having a supersonic dash capability is in case it is attacked from above by another airplane, in which case it can drop its stores and go supersonic if it wants to. That is the great advantage of this airplane over one or two others that were considered.

Mr. Nielsen: Do we understand then that the 1,000 miles per hour is the speed at which this aircraft is intended to be used in the ground support role; is that what we are to understand?

Mr. Hellyer: That is completely incorrect, Mr. Chairman, and the hon. gentleman knows it. This line of questioning just proves conclusively the suggestion I made earlier that it is futile under these circumstances to answer technical questions and that he should reserve his questions until he can put them in the Standing Committee on Defence to the air force officers who will be there.

Mr. Nielsen: I have in mind, Mr. Chairman, too that it is rather futile, because the period of almost an hour that the minister spent last evening ranging politically over the whole spectrum of defence in the bombastic way in which he did, and which has resulted in this additional questioning today and this evening, indicates to me he has no intention whatsoever of enlightening the members of this committee in respect of the questions asked yesterday and which he committed himself to answer today. There were many questions asked concerning the aircraft, and the minister did commit himself to give answers. In his own inimitable, exclusive and arrogant fashion he is simply refusing to answer the very questions he was asked to answer and which he committed himself to answer yesterday and last night.

The Chairman: Shall item 15 carry?

Mr. Forrestall: Just before we go on, Mr. Chairman, I wonder whether the minister would explain to me whether we bought the old F-5, whether we bought the F-5A, which is a slight modification of it, whether we bought the F-5A15, or whether we bought the F-5N? On the basis of the answers to these questions will rest the validity of some of the answers to questions asked this afternoon and evening, and more particularly some of the answers that the hon. member for Yukon is attempting to get.

• (8:20 p.m.)

Mr. Hellyer: We did not buy any of those models, Mr. Chairman. We bought one which

we have configured for our own requirements.

The Deputy Chairman: Shall item 15 carry?

Mr. Churchill: Mr. Chairman, there were one or two questions asked before the supper hour having to do with the expropriation of land near camp Valcartier and the dispossession of people who have been living there in a village and on farms which were pioneered by their ancestors 150 years ago. Has the minister had time now to consider these questions and will he indicate to the house that these expropriation actions will cease forthwith so that the 25 families who are now in a state of dismay may be assured that they will be allowed to remain in possession of their homes and property, just as other members of this house would like to be assured under similar circumstances? I am sure the members of this house would resist any expropriation such as this by the Department of National Defence for the purposes outlined to us in regard to the expansion of a military camp. What has the Minister or the Associate Minister to say to guide this house regarding this particular problem? I await their answers.

[*Translation*]

Mr. Cadieux (Terrebonne): Mr. Chairman, I said, before the adjournment I believe, that I was prepared to reconsider the whole matter with the parties concerned.

I reminded the hon. member that I had already spoken to these parties, that my officials had started negotiations with them and that, since that time, I had heard no more about the matter, but that I was willing to look into the whole matter once more with a view to finding an adequate solution—I even used the word equitable—for these people. I am most willing to start over again.

[*English*]

The Deputy Chairman: Shall item 15 carry?

Mr. Churchill: Mr. Chairman, one must always examine carefully the words used by the associate minister. Before our supper hour he said he was willing to negotiate a just settlement with the people concerned. What I want to know is whether the whole operation will cease and whether the expropriation will be cancelled so that these people may be left where they are. What the associate minister is suggesting is that he will undertake to carry out negotiations with those people who object to the price they are being offered for their homes. That is not what we are talking about. We are talking about justice and equitable treatment for these people, leaving them where they are and establishing the mortar firing range somewhere else.

This afternoon the Minister of National Defence would not tell me the length of the range required for mortar firing. Apparently that information is so highly secret it should not be divulged. I wonder if perhaps Mr. Spencer has already obtained that information. Apparently the minister does not want the Russians to know the range of our mortar, but I doubt very much whether that is the kind of information which is not already accessible to any country in the world that has an interest.

I wanted an answer to that question in order to ascertain how much land is required. Why are there not other artillery ranges in existence that could be used for this purpose? It is a simple matter to have musketry ranges at army camps for rifle and machine gun fire; but in regard to mortar fire, as is the case with artillery fire, you must have a wider area for safety reasons. If this change at Valcartier is being made in order to set up a range for mortar fire, I suggest this reason could be better satisfied by using artillery ranges somewhere else, likely at a lesser cost.

May I ask the minister whether any part of the Valcartier camp—and I am not familiar with its state in recent years—is used for artillery practice. If the answer to that question is yes, then he already has in effect a mortar range there. If the answer is no, I would ask the minister why he does not shift this mortar practice to places where artillery ranges are already in operation. Will the minister tell me whether or not there is an artillery range in use at camp Valcartier?

Mr. Hellyer: Mr. Chairman, there is no artillery range at camp Valcartier. Indeed, there was nowhere near sufficient land, until this expropriation took place, to permit either mortar or artillery fire of any kind. The range that exists there is so limited and so congested with unexploded shells that practically no firing can be done. While it is true that units can be moved to other camps, as they are regularly during the summertime to camp Gagetown, for example, this involves a rather short period of time in which there are concentrated exercises, at a considerable transportation cost.

More important than that, Mr. Chairman, is the rather restricted training time in summer,

which is not really adequate when one considers the opportunities available for year-round training which will be possible at this camp with the additional property. We will be permitted with this additional acreage to carry out a much wider variation of on-site training during a greater part of the year, which will in turn give us better and more effective use of training time for the troops who are normally stationed at that camp.

Mr. Churchill: Perhaps the minister will indicate the number of troops that are stationed at that camp, the type of service for which they are enrolled and the amount of practice firing involved. Perhaps he could indicate how many mortar shells would be used in the course of a year. I might say that I am not entirely unfamiliar with this type of training, but I should like the minister to give us some information in this regard.

Mr. Hellyer: The normal complement at that camp is up to three battalions, plus support troops. The infantry has now placed some orders for mortars, but as my hon. friend must know, I cannot tell him the actual amount of firing that will take place. Perhaps at a later stage when the standing committee meets, the commander of Mobile Command, who is one of the individuals interested in this development, will be called to enlighten my hon. friend as to the exact plans he has in mind to best use the training facilities we have acquired.

Mr. Churchill: May I ask the minister whether the three battalions there are resident throughout the year?

Mr. Hellyer: Three are resident, from time to time, although not at this moment.

Mr. Churchill: Does that mean they are rotated, with other battalions coming in to take their place?

Mr. Hellyer: Sometimes they are rotated overseas, as are other battalions.

Mr. Churchill: Perhaps the minister could indicate the amount of mortar firing these units carry out in the course of a year, what proportion of the battalions use mortars, and the number of men involved?

Mr. Hellyer: As I indicated last night, Mr. Chairman, the amount of mortar fire has been severely restricted in recent years as a result of ammunition restrictions. One of the plans we have for re-equipping the armed forces involves the provision of more ammunition so that more live ammunition can be used in training.

[Mr. Hellyer.]

Mr. Churchill: Mr. Chairman, I had the understanding that there was a restriction on mortar shells. Could the minister inform us as to the cost of a mortar shell?

Mr. Hellyer: There are many different types of mortar shells. Perhaps if the hon. member will give us the particular type, the mark number and the manufacturer we will be able to look up the cost for him.

Mr. Churchill: Mr. Chairman, I will give the minister that information if he will indicate the type of mortar and the mark number now being used by the battalion. If the minister will tell me the kind of equipment used by the infantry in respect of mortars I will tell him which one I have an interest in.

• (8:30 p.m.)

It is obvious that the minister does not know. It is quite obvious that Valcartier camp is not required for mortar training. There is not a sufficient number of mortar shells at the present time. They happen to be expensive, you know, much more expensive than a rifle cartridge; and they come in different sizes. Also, not all battalions use these sizes and there are not very many men in the mortar platoons or sections that would be using them; and the battalions rotate from camp to camp. I suggest that mortar training could be carried out elsewhere.

The minister is trying to cure a deficiency at Valcartier camp, and perhaps he would answer this question: Where are the mortar ranges for our troops now? That is something that should not be too difficult to answer.

Mr. MacInnis (Cape Breton South): Ask him about motorcycles.

Mr. Hellyer: Gagetown, Petawawa and Wainwright.

Mr. Churchill: And how many troops normally take part in exercises at Gagetown?

Mr. Hellyer: Last year I think the exercises were at brigade level, Mr. Chairman.

Mr. Churchill: It is quite obvious that there is plenty of opportunity for the mortar sections and platoons in infantry regiments to be trained elsewhere than at Valcartier. I make a plea to the minister, just as the Leader of the Opposition did before supper, to show some kindness of heart for 25 families who are being dislodged from their homes.

I cannot understand this attitude on the part of the minister. The Prime Minister is here and I am very glad to see him. I understand, Mr. Prime Minister, that these people sent a message to you asking for your

interest and your kindly assistance in having this decision of the Department of National Defence altered. Would you not, Mr. Prime Minister—I think you are part Irish, as I am—also take some interest in these descendants of the Irish who are living in this area?

Mr. Pearson: Mr. Chairman, I wonder whether my hon. friend could give me a few more particulars about this message with which he seems to be so familiar?

Mr. Diefenbaker: Mr. Chairman, I was going to make the appeal to the Prime Minister, too. We take such a great interest in peoples all over the world and yet right in our own country we have a situation that exists adjacent to Valcartier camp that just cannot be justified. I am not going into the detail at this moment, except to say that the hon. member for Québec-Montmorency said this afternoon, "All is well. I get the votes, and everybody is satisfied". Because of the desire of the Prime Minister to get the facts I am going to place them before him in abbreviated form and give him also the source of the information. I begin by referring to the issue of the Quebec *Chronicle-Telegraph* of February 17.

Here is an area adjacent to Valcartier camp in which there are 25 families who have been there for several generations. They received peremptory notice within the last few months, and certainly it appears since the election when the hon. gentleman was able to get the votes, that this land was to be taken over by the Department of National Defence. The hon. member for Québec-Montmorency made the statement this afternoon that all was well and nobody was complaining. I have already placed on the record the views of certain of the people involved in this move. The Prime Minister was communicated with. These people gave up trying to soften the adamant attitude of the Minister of National Defence and the Associate Minister and made the appeal to the Prime Minister of Canada to look into this matter. A protest was organized in Shannon and a petition was sent to the Prime Minister. It was duly acknowledged. One of the letters was actually answered, this article says, by the Associate Minister and in part it read as follows—and this was a letter to Joseph Griffin:

> After the "most careful consideration" the department had come to the conclusion that there was no practical alternatives to the expropriation plan announced by the government.
>
> "The training exercises to be carried out in the enlarged camp", noted the minister's reply, "necessitate access to the area north of Pinky Mountain through what we might term "The Shannon Corridor".

That was a statement thoroughly resented in this area:

> No top level official of the defence ministry has bothered to go to Shannon to hear the views of those the government is planning to dispossess of a heritage.

These people are just being told, "Get out of here. Away with you. We are going to give you the proper value for your land". The associate minister today spoke as if something beneficent on the part of the government was going to be the result; the government was going to treat these people right in what they would pay them. That is not what they are asking for; they are asking to stay on their land. This article says that no top level official of the Department of National Defence has bothered to hear the views of those the government is planning to dispossess of a heritage. That is what it is, a heritage.

I ask, Mr. Chairman, in what other part of Canada where people have lived for generations would you get other than the strongest resentment when they were ordered to get out of the area because the army had decided they were going to save a few dollars on this program, and these particular 10,000 acres were to be taken over? This article continues:

> The people of Shannon know their village is doomed.

All I have to say is that they ought not to know that. They ought to know that the first responsibility of parliament is to preserve and protect the freedom and rights of individuals. That is what we are here for. Then the article says:

> But they are awaiting that doom with arms folded and in a mood of resignation.

The hon. member for Québec-Montmorency says, "I get the votes".

Mr. Laflamme: I never said that.

Mr. Diefenbaker: That is no answer to this question. These people as late as February 17 made a strong complaint about their treatment in this connection. The article says:

> They are prepared to fight for what they consider to be a wholly unwarranted and arrogant invasion of their rights.

I use their words and say that what has taken place is unbelievable, namely that we should be met by a solid wall of contemptuous silence toward a situation like this on the part of both these ministers. Further, Mr. Chairman, the article says:

> "Money", snorted one elderly Shannon resident. "What's money? My father lived here and his

father before that. How can a few thousand dollars make up for the loss of all these memories!"

Then, as I said this afternoon, there is the editorial headed "Army Takeover Spells End For A Proud, Old Village". This editorial concludes with these words:

Surely, somebody at Ottawa must care.

I say, Mr. Chairman, surely they should. That is why I come to the Prime Minister and ask him this question. Over the years we have not always agreed on things, but we at least agree that when things are wrong they should be rectified. I cannot get anywhere and my hon. friend for Winnipeg South Centre cannot get anywhere with these ministers. These men just say, "This is what you are going to get," to these 25 Irish families, "because we decide it". I am making an appeal to the Prime Minister just as did the hon. member for Winnipeg South Centre. The matter is before the Prime Minister. Why should these pioneer Canadians whose families have been resident here for generations be told, "There you go. Out you go. Down you go. As far as we are concerned, we give you no consideration".

This situation cannot be allowed to continue. We want nothing excepting justice and fairness. I thought when we raised this matter we would immediately get results. All we hear from the associate minister is that these people will receive compensation. They are not seeking compensation; they are seeking justice and that is what we are asking for on their behalf. I make an appeal to the Prime Minister. I am not going to be brushed aside any longer by these obviously diaphanous undertakings. We want to know, as the Quebec *Chronicle* asks, if there is someone at Ottawa who cares.

• (8:40 p.m.)

I thought there may be some reason that we could not understand which might be advanced. The minister quite frankly gave his views and said there would be some little saving. We have never used this before for mortar purposes. I ask, then, why now? Last night the minister was casting aspersions on Sir Sam Hughes. I want to tell you that Sir Sam Hughes brought about the greatest congregation in Valcartier in 1914 that existed in any part of the empire in that day outside of the United Kingdom. They came from all parts of Canada, and they have been in Valcartier since. Surely, in 1966, these people are not to be treated as chattels, to be pushed around by ministers, departmental officials or army officers who place a higher value on saving a few dollars by moving a small number of these men who were in this camp.

I intend to find out whether or not human values take second place to administrative dictation, and that is what has happened here. Nobody goes to see them. They complain, they write letters and they receive no response except the kind of letter I quoted a moment ago. Nobody goes out to see them. After all, what are 25 families among 20 million people? Parliament cannot condone this kind of thing. I make an appeal to the Prime Minister because our concern all over the world is for every type of person who receives unjust consideration. Let us now, for once, give to Canadians the same consideration that we invariably evince for people in other parts of the world. These Canadians are entitled to consideration.

[*Translation*]

Mr. Cadieux (Terrebonne): Mr. Chairman, I have right here the blues on my last statement—not the first, because I made one before we adjourned for dinner—in reply to the hon. member for Winnipeg South Centre (Mr. Churchill).

And I quote that statement literally:

I reminded the hon. member that I had already spoken to these parties, that my officials had started negotiations with them—

It is not true that no one went to see them.

—and that, since that time, I had heard no more about the matter, but that I was willing to look into the whole matter once more with a view to finding an adequate solution—

I even used the word "equitable"',

—for these people.

I am most willing to start over again.

Need I say more, Mr. Chairman, I wonder what those words mean. Is the Leader of the Opposition (Mr. Diefenbaker) the only one really interested in the fate of those people? Do people think, for instance, that all those private property expropriations are made coldly, over the heads of everybody, without any consideration for special cases?

I have the greatest respect for the people of Shannon and what they stand for in Canada. They made representations to the department and we did everything in our power to try and comply with their legitimate wishes.

A new problem came up and, as I said, we are prepared to start all over again. What more can we do? I do not think anything more can be expected of a minister who administers his department in the best interest of the country and its people.

As I said earlier, I am ready to renegotiate with those people and their representatives and to re-examine the whole question, and we shall see then. I explained at the outset how the present situation came about. Unfortunately, those people live in what is considered a danger zone. That is why, at the time, we decided it might be better to expropriate them along with the others.

We have never closed the door on a reconsideration of the whole matter. But they did not come back to see us. I saw those people only once. I am willing to meet with them at any time to review the whole matter.

[*English*]

Mr. Churchill: If there are two more obstinate ministers in the commonwealth, I should like to meet them. We have here, in the Minister of National Defence and the Associate Minister, two gentlemen who stonewall everything we suggest. They just will not move. Now the associate minister is trying to assure us he is going to look after these people. He is willing to negotiate. He is willing to start all over again. Let us get this thing straightened out. Let the Associate Minister of National Defence answer this question: Is all the land which constitutes the territory of these 25 families already expropriated?

[*Translation*]

Mr. Cadieux (Terrebonne): The information I gave the committee was with reservation. The military authorities who examined the site decided a cannon and long-range mortar shooting-range was needed in the area. I can go on further. I said that I went no further than that.

[*English*]

Mr. Diefenbaker: It is not negotiation they want.

Mr. Churchill: My second question is this: Have plans been made to establish a mortar range in or adjacent to the area that has been expropriated?

[*Translation*]

Mr. Cadieux (Terrebonne): I think so, Mr. Chairman. Naturally, this question was brought up in the office a few months ago. I have not seen the file. This matter just cropped up this afternoon, but I think so.

[*English*]

Mr. Churchill: Well, that is established, that these plans are already under way for a range for long range mortars. My third question is: Have the people been notified that when the range has been established, they will then be in a danger area? This is a great lesson in how you do these things in an autocratic manner. You expropriate land, set up or prepare to set up a range in which dangerous weapons will be fired and shells exploded, then inform the people they will be in a danger zone. Then, what are you to do? If they have objections, you say: We are prepared to negotiate to see what we can do. This is a shocking example of autocracy in action, absolutely shocking. Yet, as the Leader of the Opposition has said we are very concerned, and rightly concerned, with regard to the people of the world who are not being treated justly. Let us start with our own people in our own country. I think this is unjust treatment of 25 Canadian families.

As an earlier hon. member pointed out, there was no need for a mortar range in order to practice our troops. Why cannot the minister, Prime Minister or Associate Minister of National Defence tell us that they will go right back to the beginning, cancel the expropriation proceedings and transfer the mortar range to some other area in which there are not any people living? Why can this range not be established at some other military camp at which there are artillery ranges, because that is where these mortar shells should be fired?

An hon. Member: Is that what you want?

Mr. Churchill: Well I am making suggestions. I did not get the significance of that remark.

Mr. Vincent: He is talking about votes.

Mr. Churchill: Well, let him worry about that part of it; I am trying to instil some reason into the heads of these ministers of defence. They know, as I know, that you do not fire many mortar shells in order to train people to fire them during the course of a year. They know, as I know, that battalions rotate from camp to camp. You can have your mortar training and fire live shells as you reach the appropriate camp. They know, as I know, that you are not firing off live ammunition every month of the year. They also know, as I know, that there is not a surplus of mortar shells at the present time. And they know, as I know, that they are expensive.

Now, where do we go from there? The whole idea is ridiculous, and the sorriest part of it all is the absolutely adamant attitude of these two ministers. How do you make a further appeal to them? There is plenty of

land in Canada for the exercises they suggest. Is there some other reason behind this? That is what we should like to find out. I say let us cancel the whole operation and assure these people that they will not be dispossessed; and let us make other plans for the mortar range which apparently is required.

Mr. Schreyer: Mr. Chairman, I am happy to see the Associate Minister of National Defence is now concerned about the problem which I raised yesterday and again this afternoon. When I put the matter to him initially he seemed quite unperturbed and undisturbed about it. I am sure that if I had not raised it again today he would have allowed the estimates to go through without making any comment upon it.

He now says he is concerned about the individuals who are being dispossessed in this area and that he will take whatever steps or action is possible in order to give them some sort of redress of grievance. They do have a real grievance, Mr. Chairman, because it seems to me wrong for government to use its powers of expropriation in the perverse kind of way it has used them in this particular instance. Why should government, when dealing with a relatively small number of little property holders, have to invoke the power of expropriation without at least attempting first of all to acquire this real property through the process of free negotiation? The minister made mention of the possibility of land speculators getting into the deal. I would say to him that the custom and practice in the provinces over the years has been to resort to negotiation as often as possible, and to resort to expropriation only after negotiation has broken down or ended in stalemate.

There is no great fear of speculation in the particular community involved here. It is not as though we were dealing with a suburban community in a large metropolitan complex. Perhaps there could be the problem of speculation there, but not, Mr. Chairman, in a rural community in Canada.

I submit to the associate minister that the reason he has given is really a poor excuse. I would suggest to him that if he searches for the real reason that expropriation was resorted to in this case he will find it was administrative convenience. It is certainly more convenient to the administration to acquire property in this way. All they have to do is simply to file a plan of expropriation at the land titles office, and that is all there is to it: the land is then vested in the Crown. Then they proceed to negotiate. But that kind of negotiation is, I suggest, spurious. No real bargaining or negotiation can take place. The individuals in this case have, in effect, been robbed of their property rights.

The minister said that having duly considered the matter in the past he came to the conclusion that this land really was necessary for the enlargement of camp Valcartier. However, when you read the excerpts which have appeared in the press from the letter written by the minister to some of the people in that area, you find he makes reference to this need in this particular area—by the way, he refers to it as the "Shannon corridor"—and says that this particular land is needed as a means of access to some government-owned land further north from camp Valcartier.

I would ask the minister whether this land actually was needed for training purposes, or was it needed in the department's opinion merely as a means of access to larger tracts of military training ground held or owned by the government further to the north?

I make no apologies for raising this matter. Someone asked me why it was necessary to raise this question in the House of Commons because, after all, this forum is supposed to deal with affairs and problems on a national scale. It has been suggested that only 25 families are involved here. When large bodies such as governments deal with holders of small plots of property and impinge on their rights, it is necessary to take as firm a stand as possible against any infractions by what the Leader of the Opposition called autocracy. I sincerely hope the minister or the associate minister will look at the file once again to see whether the course of action they have taken was necessary in the first place.

Mr. Woolliams: Mr. Chairman, I think the question asked the minister and the associate minister is a very simple one. As has been said, they have expropriated this land by order in council and filed certain documents in connection therewith. The minister has referred to negotiation, but all he has really said to these people is: "We will negotiate with you people but you are going to leave. We will make it so tough that you will leave, but we will negotiate a fair, equitable price". In other words he is saying "We might offer you a few more dollars to get out".

The point which we are making tonight is this. Surely what hon. members are asking for is an undertaking from the minister or the associate minister that when they talk about negotiation they will go back to the

cabinet and tell the cabinet they are going to rescind the order in council expropriating this property, and that they are going to take another look at this question and leave these people and their property rights alone. Property rights is one of the basic rights in this land.

I am glad to see the Minister of Northern Affairs and National Resources listening to this debate because I have had some experience with reference to his department in this regard. Therefore I might be able to kill two pigeons with one stone.

We know all about the sort of equitable negotiations which take place with departments or through ministers, so I think the minister should explain what he means by negotiations. Is he prepared to go back to cabinet and recommend that this order in council be rescinded? Is he prepared to say to these people who have traditionally held this land: "I am going to leave you here and will carry on this enterprise somewhere else without interference with property rights"? Before this item passes we want the minister to clarify exactly what he means.

[*Translation*]

• (9:00 p.m.)

Mr. Cadieux (Terrebonne): Mr. Chairman, I think the hon. member for Bow River (Mr. Woolliams) will understand exactly what I mean when he reads in the official report the statement which I made and shall now repeat.

I said that I was ready to negotiate again with the people concerned. Not having heard from those people since the beginning of my correspondence with them, am I convinced and, in spite of that newspaper article, am I in fact certain that they still wish to remain in the expropriated area? I am not convinced of it. I say that I am ready to negotiate with them and to find out precisely what they want. I am ready to treat them equitably. I do not think one could ask for more.

[*English*]

Mr. Woolliams: Does the minister mean by that that if he does send an ambassador—I call him that—to find out whether the people concerned want to remain where they are, and if this ambassador who is an agent of the minister speaks to these people and they say to him, "We want to keep our traditional homes", he is going to go along with that request? That is the whole point of my question. Let us forget about the niceties of words; let us get down to brass tacks.

Mr. Diefenbaker: That is precisely the point.

[*Translation*]

Mr. Cadieux (Terrebonne): Mr. Chairman, when I say I shall do everything in my power, I think that I cannot be asked for more. That is what I undertake to do.

[*English*]

Mr. Woolliams: Mr. Chairman, I am not questioning the minister's integrity. He is going to do everything possible, but "possible" may be exactly what has happened to many other Canadians in this country, so far as expropriation proceedings are concerned. If the minister and the associate minister really want to do something to show the right spirit, in response to requests made from this side of the house—because this is an important matter and has been raised by other members in other parties—they must realize that if that type of ambassador is sent out, and if it is found that the people concerned wish to stay where they are, then the department should rescind the order in council and should start expropriation proceedings. When the minister can give that kind of undertaking, then I think we shall be prepared to let the matter pass.

Mr. Diefenbaker: Apparently he says no to that.

Mr. McCleave: May I ask the associate minister if all 25 families are standing firm against this department, or have any of the 25 families shown that they want to compromise, or to negotiate the matter.

[*Translation*]

Mr. Cadieux (Terrebonne): As far as I can remember, Mr. Chairman, and I hope to be excused because I do not have the file with me, all the persons involved did not sign the petition. That may be due to the fact that the Department of National Defence has come to an agreement with them.

[*English*]

Mr. Schreyer: Would the minister say whether to the best of his knowledge the people concerned have already been given notice as to a date to vacate the premises?

[*Translation*]

Mr. Cadieux (Terrebonne): As far as I can recall, no date was set for leaving the premises. On the contrary, those people were given to understand that it would probably take several years before the base was fully enlarged. That was one of the considerations.

It was felt that it would thus be easier for the Department of National Defence to make arrangements with each individual with regard to his relocation. That, I believe, was one of the considerations.

[*English*]

Mr. Churchill: I wonder if we could now ask the Minister of National Defence about what is really the crux of the matter, and that is the danger area to be established respecting the range for mortar firing. Will the Minister of National Defence inform the committee that a range for mortar firing is essential at Valcartier camp? Will the minister also tell us when he plans to have that range established, and when firing practice will probably begin?

Mr. Hellyer: Mr. Chairman, as I recall the requisition, in order to facilitate battalion training and to enable more realistic and varied exercises to be carried on, a tremendous amount of room is required for deployment and for manoeuvre under conditions of modern warfare. To use modern equipment requires a great deal of space.

In addition to this, it is anticipated that ranges will be required for a variety of weapons including antitank, mortar, and perhaps self-propelled artillery. It takes a lot of space to have these kinds of manoeuvres and exercises. The Associate Minister has already undertaken to take a look at the area again, to determine whether the area in question is an absolute requirement. I do not think he could give any more assurance tonight, because this is not just something that you can say without taking a harder look at, than we have been able to at this time.

Mr. Churchill: You can take a look right now. The minister has now extended his request. He now says that he requests ranges for a variety of weapons. Three or four hours ago it was for mortar fire. That was an undetermined range for an undetermined size of mortar. They are undetermined because these are secrets that he keeps to himself. Now he says that anti-tank weapons may be used and that self-propelled artillery may be used. Therefore he is getting up into the 75 millimeter class, and the 105 class, and I suppose that he will have howitzers and other artillery equipment. Does this mean artillery regiments are going to be shifted to Valcartier camp for their training? I ask the minister that.

[Mr. Cadieux (Terrebonne).]

Mr. Hellyer: No, Mr. Chairman, certainly not necessarily. But what it will provide is adequate land to exercise whatever units are sent there in the normal course, and it has the facility and the flexibility which we think is essential, as part of our best deployment of the mobile force.

Mr. Churchill: May I ask the minister where the artillery regiment, the anti-tank regiment, the self-propelled artillery, and in fact all the artillery regiments now get their live ammunition training on ranges?

Mr. Hellyer: I think, speaking from memory, that it is at Shilo, Wainwright and Petawawa.

Mr. Churchill: May I ask the minister if during the course of the last 50 years, which is the time that Valcartier camp has been in operation as a military camp, it has been used for artillery purposes? If the minister has not the information on that, can he say anything with respect to the last ten years? Has the camp been used for that purpose within the last ten years?

Mr. Hellyer: I am not a military historian, Mr. Chairman. I cannot answer that question offhand.

An hon. Member: Perhaps he should be an historian.

Mr. Churchill: I think if the minister were to become a military historian that he would know something about warfare, which at the present time he does not. That is one of the greatest weaknesses in this minister. He does not know these things. Now he has been talking about establishing a larger area for training at Valcartier. First he is going to have a mortar range; then he extends it to an anti-tank range; then to self-propelled artillery. Is the minister aware that for 50 years the camp has been used for musketry purposes?

Mr. Hellyer: We are trying to get out of the musket age.

Mr. Churchill: I hope that the minister with his great interest in mobility will make arrangements to have a mobile casualty station out in the front of this building so that he and his associates can be treated for their wounds tonight, because they are suffering. They are gradually bleeding to death I think.

• (9:10 p.m.)

We want to get some satisfactory answers from the minister instead of these casual, flippant replies. Artillery training is carried

out, as he mentioned, at three locations, possibly in others. This has been going on satisfactorily for years, throughout two great wars and the war in Korea. Why this great interest in Valcartier? Why dislodge 25 families? This is something the minister has not explained. If he would say right now: "We do not require a range at Valcartier camp for mortar fire, anti-tank fire and artillery fire", then the associate minister would have nothing to worry about, because those 25 families would not be in danger and need not be disturbed. That would settle it.

Mr. Pugh: If I understood the translation correctly—and the translation came through well—the Associate Minister said the department would renegotiate. I should like to know whether he meant it would renegotiate under the umbrella of expropriation. If this is the case, it would be very hollow renegotiation. The minister has been asked whether expropriation will take place. He has not answered that question. That is the whole point. It is a question which must be answered before this item passes.

[*Translation*]

Mr. Cadieux (Terrebonne): Mr. Chairman, here is the situation. According to the information I have, the people of Shannon are in a danger zone because the camp at Valcartier is being enlarged.

I now commit myself to reexamine the situation with them. If, at that time, we reach the same conclusion, namely that they are in a danger zone and, therefore, that it is useful and even necessary to expropriate them as we did others, I am ready to discuss it with them. That is all I can say.

I did not decide to enlarge the camp at Valcartier. On the other hand, it is my duty to transact with the people concerned in those expropriations. I do so with the greatest honesty and objectivity possible. Needless to say that, in a case like this, the human factor will be taken into consideration with all the objectivity and understanding required.

Since this debate began, the Conservatives have paid tribute to the fact that I did consider the human factor when applying the regulations. Therefore, there is no reason to believe that, in the case of the citizens of Shannon, I will be different from the man I was when dealing with individual cases.

[*English*]

Mr. Pugh: I believe all of us in this committee know the many great human qualities of the minister who has just resumed his seat. He has told us in no uncertain terms that all his negotiating is based on the fact that the range is to be enlarged and that anybody who finds himself within the danger area will be told to get out.

Mr. Woolliams: Or have his head blown off.

Mr. Pugh: Nothing short of that. The minister says that he may renegotiate and give these people a few more dollars. The fact that they want to stay in the area has already been decided. They want to stay.

Now I wish to ask the minister a question I asked him earlier. Is it absolutely necessary for the safety of Canada and for the saving of a few dollars—if dollars are to be saved on this item— to go ahead and enlarge this camp so as to encompass a mortar range. That is the whole theme of the discussion which has taken place in this committee.

A good deal of opposition has been expressed with regard to taking over this area. I see the Prime Minister is just leaving. The Prime Minister, having just received a telegram on this subject can say: "I am sorry. I did not hear about it." Well, the telegram has been acknowledged. He has left the chamber without even listening to this discussion. My question to the minister is one which must be answered: Is it absolutely necessary to enlarge this camp to include a mortar range?

Mr. Hellyer: When one tries to define absolutes he is soon apt to run into difficulty. But after close examination over a number of years it was concluded that the expansion of this camp was essential in the national interest— that increased training facilities should be provided there and that a large area should be set aside for the training of a substantial proportion of the Canadian army which is stationed at this camp.

The area was laid out with these requirements in mind. One can always argue a little over where the boundaries must be. That is why I stated earlier that the associate minister would be glad to look at this question to see whether in fact the Shannon area is essential and whether or not it is a danger area. This is something which requires the most careful examination and I do not think we can give any absolute assurance, except to say to the hon. member that the expansion of this camp is definitely in the national interest.

Mr. Pugh: I think I must go further into this question. The minister has told us he will have inquiries made to determine whether it

is essential that Shannon be taken over and the 25 families moved for their own safety. But surely, if appropriation proceedings have been taken to their present stage there must be an element of danger. Surely it is not intended to move a whole village if there is no element of danger.

Now I should like to ask the minister to tell us how many troops will be trained in mortar firing—how many will actually fire a mortar at Valcartier? What is his projection of the cost of training these troops there as against the cost of training them at Shilo or Gagetown or on any other range in Canada? Is it really necessary that there should be this extension to the range because of the need for firing mortars or other types of weapons?

I should like to know how many people are to be trained there. I see the higher paid help are talking it over carefully with the minister. Obviously he does not know much about it himself.

• (9:20 p.m.)

The Chairman: Shall item 15 carry?

Mr. Pugh: I think we are getting an answer to this. It may take a little while, but I will stand on my feet and it will save your asking that question again, Mr. Chairman.

Mr. Churchill: Repeat the question. The minister may have forgotten it.

Mr. Pugh: If it is necessary to go through expropriation proceedings and move 25 families away from the village, then obviously a great deal of thought has been given by the minister to the type of training that is going to be carried out at Valcartier. He says it is absolutely necessary. I am asking, necessary for what? I am asking him how many men are going to be trained here? He could stand up and give us a brief rundown just exactly why it is necessary to have this as a mortar range. We could restrict it to a mortar range at present and then go on to deal with the other equipment.

Mr. Hellyer: Mr. Chairman, I would like to give my hon. friend the information he requires, but as he would well know, the training requirements would fluctuate from time to time depending on the plans of the mobile commander. I am sure if I gave a figure now and it proved in actual practice to be higher or lower than that called for in the plans of the commander, the hon. member would accuse me of bad faith. I have no intention of pinning down figures on this at the moment. If he wants to ask the mobile commander what his plans are in a general way, then the hon. member could do that when the commander appears before the standing committee. But to try and say X number of men will be firing X number of rounds would not be helpful at the present time. I do not want to mislead the committee by giving figures which might not prove to be accurate later on.

Mr. Churchill: You just don't know.

Mr. Pugh: We still come back to the fact that a village is going to be expropriated and that 25 families who have been living there for a number of generations have been asked to leave. It seems to me we could hold item 15 until we get these answers. Surely they are not hard to find out. The minister, with all the high class weaponry he has been talking about, must know the state of training to which he must bring his troops so that they can use this weaponry.

My knowledge goes back to the actual use of a mortar, but possibly not the latest type of mortar he is talking about. However, I cannot see there is going to be all that number of rounds of mortar fired each and every year. It seems to me we must be able to get some sort of reasonable answer. Let us say that if there are few men who are being trained, then there is no use for the extension of Valcartier. Or let us say a great number of men are being trained, then within the reasonable bounds of expense other camps such as Gagetown or Shilo could be used for the same purpose. My hon. friend from Swift Current-Maple Creek mentions Wainwright.

Quebec is just one portion of Canada, and all of Canada has tremendous areas which can be used for training without the necessity of expropriation. I know the position of the associate minister who, as I said before, is an extraordinarily fair man, but he has been handed a mandate and the mandate is expropriation. It is nothing short of expropriation. He says he will renegotiate, but if expropriation is the aim, then nothing short of expropriation will be used in the case of this village and these 25 families. Surely to goodness the amount of training which requires this vast expansion of the camp must be known and should be told to the committee. I cannot see any reason why we cannot have a reasonable answer.

The minister mentioned that he did not want to mislead the committee, that we would damn him for giving an answer that is incorrect, but within reason surely he can tell us how many men are going to be trained in that place. I do not think we can pass this

item because, if we do, then this thing goes by the board. If we let it go by and wait for the Standing Committee on Defence to get together to hear all these witnesses, at that stage the renegotiation will have taken place and, against the will of a number of people, the village of Shannon will have disappeared.

I must re-emphasize this point, that this is being done against the will of those who have been there for generations. I want to have a little more information on this project before I will let item 15 pass.

Mr. Hellyer: Mr. Chairman, as I already explained, there will be up to 3,000 men training at this camp. They will be training in all arms and using the materiel and equipment available to them.

Mr. Pugh: You say 3,000 men will be training in all arms. I would say that is just a trifle vague. If they are training in all arms, how many would be trained in the use of this particular type of mortar—not all mortars but this particular type which has made Valcartier unsafe for the 25 families?

Some hon. Members: Carried.

Mr. Woolliams: Don't get in a rush, you fellows.

Mr. MacInnis (Cape Breton South): Any chance of getting a change of ministers?

Some hon. Members: Carried.

Mr. Pugh: The question was, how many of these 3,000 men will be trained to use this extension mortar?

Mr. Churchill: The old C.C.F. party would have been concerned about a thing like this.

Mr. Lewis: Don't you get so concerned about us.

Some hon. Members: Carried.

Some hon. Members: No.

Mr. Pugh: We want the answer.

Mr. McIlraith: Mr. Chairman, I wonder if we could have the committee proceed? It is very nice to look at the hon. member for Okanagan-Boundary, but really there is no reason why he should make a farce of the committee. If he has any questions he wishes to discuss, they could be discussed or put; but just to take the floor, hold it, stand and refuse to speak, and refuse to sit down, obviously shows an intention to stall the committee. That is perfectly legitimate if that is what the opposition wishes. That is their choice, but we do have certain rules applicable to debates in the house and in committee, and, Mr. Chairman, I respectfully suggest they be observed. If the hon. member wishes to speak he may speak. If he does not wish to speak, then he should resume his seat and let the item proceed.

Mr. Pugh: Mr. Chairman, I have listened with a great deal of interest to the words of a minister who has just arrived in the chamber. He apparently does not appreciate the situation that has arisen in the committee tonight. He says the hon. member refuses to speak. If he will examine *Hansard* tomorrow he will see that is not the case. It is the case of the minister refusing to answer.

I would say to the minister, who has tried to throw a castigation against me, that I am not standing here to be looked at. I am thinking of those people in that village who have asked parliament to do something about it, who have asked the Prime Minister to do something about it. The telegram which they sent to him was acknowledged by him. He was in the house and he was asked questions, but he did not answer. Now we are merely following through, and this is for the minister's ears who came in late and raised his voice in the middle of the debate. Procedurally I pay great respect to him, but when he comes in suddenly and says let us get on with this because of various and sundry, I do not agree with him one little bit.

• (9:30 p.m.)

Mr. Chairman, you know I have been asking a question which I feel deserves an answer. I have no wish to hold up this committee in any way, shape or form, but I do want to get an answer to this question. Furthermore the Minister of National Defence, who stands on his two feet at the drop of a hat and pretends to know everything that is going on in National Defence and in foreign affairs in this country, does not know the small things which go to make up morale and so on in the army, navy, air force or in any of our services. It seems to me, in a matter which is as important as this—the moving of 25 families who have been there for generations—there is no reason why he cannot tell us why the range must be taken over under expropriation.

Mr. Hellyer: Mr. Chairman, I would like to make it clear that I am just as interested in these 25 families as is my hon. friend, but if he pursues his questioning, I am sure nature

will make it 26 families before we are finished.

An hon. Member: Arrogant statement.

Mr. Churchill: Smart Aleck, flippant answer.

An hon. Member: Can we hear from the house leader now.

The Chairman: Order. The hon. member for Winnipeg South Centre.

Mr. Churchill: Thank you very much, Mr. Chairman. We have heard from this minister a smart Aleck and flippant answer, which is typical of the minister and typical of this government.

Mr. Nielsen: Arrogant.

Mr. Churchill: Yes, it is arrogant. There are several ways out of this difficulty the government is in. I have pointed out two ways for the minister, and other members have mentioned the same—an order in council rescinding the earlier one, doing away with the expropriation. That settles the matter. If that cannot be done or if they do not want to do that, the second alternative is for the Minister of National Defence to declare that a mortar, anti-tank or artillery range which would put the 25 families in a dangerous position will not be established in the area. That is all he has to say.

So, there are those two courses which I say can be followed. Our duty here is to speak on behalf of those Canadian citizens who have put forward a legitimate grievance, have carried it as far as the Prime Minister, and still have not been satisfied. During the course of our discussion tonight we have found out that the Minister of National Defence does not know exactly what he wants at Valcartier camp; he does not know how many men would be trained there; he is not able to tell us how many regiments or battalions would be moved in and out of that camp during the course of a year. He has admitted there is a shortage of mortar ammunition. He is so ignorant of the problem that at one time he thought it was for a mortar range and then enlarged it to anti-tank, or self-propelled artillery, so the minister is in a state of confusion.

The Associate Minister of National Defence talks about negotiating with the people involved, but it has been pointed out time and time again that it is within the arbitration proceedings and that it is just then a matter of settling on how much time, what the price is, and things of that nature.

[Mr. Hellyer.]

That is not what we are asking for. We say leave the people there. Valcartier camp has been used for over 50 years and this is the first time I have heard it is not adequate for the desired purpose. Since the second world war an enormous training area has been established in the Atlantic provinces in order that we could train a whole division, and this is where the troops go for their training. The smaller camps are not put under the same pressure. That was in days gone by; that was the whole purpose of camp Gagetown, and I was here in this house when it was debated and set up. There is where you have the adequate training area for large bodies of troops.

The minister has pointed out the areas which have been used for years for artillery and mortar purposes. Why is he trying to create another and do it at the expense of 25 families? I hope no one will say that 25 families are not important: They are very important.

An hon. Member: They are laughing at it over there.

Another hon. Member: Nobody said that.

Mr. Churchill: Particularly when the families have been settled there for a long time in that area, why should they be dislodged in peacetime? If it were wartime they would not object and no one here would object, if it was done in the national interest; but this happens to be peacetime and the army is training for peace keeping purposes. There has not been much emphasis by the Minister of National Defence in the last three years on training for war. He talks about training for peace keeping exercises. Our troops which have been used abroad in the last several years in these peace keeping operations never have had to use mortar shells, so why the insistence suddenly on having training in the firing of mortars? What is the minister planning for? Does he have some expedition overseas that he wants to train troops for? This does not fit in with his white paper on defence. There was nothing in the white paper on defence which indicated we would have to do intensive training with mortars. The emphasis in the white paper is on mobility and realities. The minister likes to talk about realities. The reality of the situation is that this is peacetime.

Canada's policy with regard to her armed forces is for peace keeping operations, where mortars are not required. Why then do we have to extend the military camp and have

an enlarged artillery range and dispossess people, and then do it in this, what I call, underhand way—expropriate, set up an artillery range, and then tell the people they are in danger and must move out. I think that is a very poor method by which to deal with Canadian citizens. If I was one of those living there I would enter my protest as well; but I am doing it on their behalf. The Quebec *Chronicle-Telegraph* has taken up the cudgels on behalf of these people with a very strong editorial in the February 17 issue of that paper, asking parliament to look at this problem. Mr. Chairman, you know where we stand on it. If the minister will take either one of the two courses I have suggested, we could settle it tonight. He still has an opportunity.

• (9:40 p.m.)

If he is not going to take any action but is going to think about it overnight that is fine, because we are not going to be frightened by people on the other side of the house.

Mr. Woolliams: Nor by the Minister of Public Works.

Mr. Churchill: Nor will we be frightened by the Minister of Public Works.

Mr. Woolliams: He has now left the chamber.

Mr. Churchill: He came in and said this was a farce. Surely it is not a farce when we are dealing with 25 families of Canadian citizens who are being dispossessed. Even if they were not Canadian citizens it would be appropriate for us to deal with a matter like this here in this chamber. However, these are Canadians of the fifth generation and are members of one of the founding races of this country.

Some hon. Members: Oh, oh.

Mr. Churchill: Now they are laughing at the Irish.

Some hon. Members: Oh, oh.

Mr. Churchill: I call upon every member of parliament with Irish blood in his veins to recognize that fact.

Some hon. Members: Hear, hear.

Mr. Churchill: It is all right to laugh at the English or the Scots, but do not laugh at the Irish or you will be in trouble. The members on the other side of this house are making a joke of this situation, but it is no joke. These families are Canadians of the fifth generation and are now being dispossessed in the middle of the twentieth century. This is a shocking way in which to carry on. We often talk about human rights and are very often disturbed about people around the world who are attempting to gain their freedom and their liberty; yet this is the way Canada acts with regard to her own citizens.

Mr. Chairman, we have appealed to the two ministers involved and to the Prime Minister in regard to the crux of this matter; what more can we do?

An hon. Member: Sit down.

Mr. Churchill: Some of the Grits over there say to sit down. They say let this pass. Those are the trained seals who take orders from above. Thank goodness there are some independents on this side of the house. Parliament exists for the purpose of defending these people.

Mr. Groos: Let us hear from some of the others.

Mr. Churchill: Would the hon. member like to speak for himself and say something on behalf of these 25 families. I will relinquish the floor to him if he has the courage to get up and speak.

Mr. Groos: Certainly, Mr. Chairman.

Some hon. Members: Hear, hear.

Mr. Groos: Mr. Chairman, I merely wish to say that in considering the attitude taken by hon. members opposite when we were considering the Columbia river development proposals which required the dispossession of some 500 families in the national interest, I find that attitude in strange contrast now when we are talking about the same sort of thing but where only 25 families must have their land expropriated in the national interest. We are now being told that this is a terrible thing to have done.

Mr. Herridge: As a member of the group which first raised this issue, let me say that we are certainly behind these appeals to the minister to reconsider the welfare of these 25 families. Mr. Chairman, I cannot help but remember that there were 500 families in my area who were being treated worse as a result of the Columbia river proposal, but what did they do to defend those 500 families? I think we should be somewhat consistent in our approach to life. Our good friends in the Progressive Conservative party did nothing to defend the rights of those 500 families who may have their lands expropriated, some of which were third generation Canadians.

At least our good friends the Liberals have been consistent; they did nothing about those families and they are doing nothing about the 25 families who are being left to suffer the life to which the government of this country has condemned them.

Some hon. Members: Carried.

Mr. Nowlan: Mr. Chairman, I must say as a new member sitting here tonight I was amazed at the revelation of how the mood of the house can change so quickly in respect of what seemed to me a rather insignificant detail. Let me suggest that the expansion of this base involves more than 25 families, with all due respect to the hon. member for Kootenay West. However, with respect also to my colleague the hon. member for Winnipeg South Centre, exerting some of the independence that he counselled the other side of the house to have, and knowing that I have more Irish in my blood than a lot of people in Shannon, let alone the hon. member for Winnipeg South Centre suggest that there is a third way out of this morass that we now find ourselves in, which I think would meet with the approval of some of the members in the back benches.

Perhaps the minister and his associate could assure the house that nothing further will be done in respect of this expropriation until the whole matter is considered and studied by the committee, which is where this matter should be examined in detail. With that type of assurance, that the merit of this proposed expansion and the dispossession or displacement of the 25 families will be studied by the committee, I think this whole matter could be settled. If that kind of assurance could be given, I suggest it would meet with the objections raised by the hon. member for Winnipeg South Centre and the hon. member for Yukon, so that we could study the suggestions and detail in committee and get on now with the debate.

Mr. Hellyer: Mr. Chairman, I will give the undertaking that nothing will be done for several weeks and until the committee has had an opportunity to look at the situation, if that meets with the general wish of hon. members.

I must point, out, however, that as minister I have no control over the committee or the order of business it undertakes. We will undertake to make witnesses available on this subject as soon as the committee desires. On that basis we will be glad to give that undertaking.

[Mr. Herridge.]

Mr. Churchill: Will the minister go a little further and give us the assurance that nothing further will be done with regard to the 25 families involved in the camp Valcartier expansion until one year from today, and only then after the matter is brought again before the House of Commons for consideration?

Some hon. Members: Oh, oh.

Mr. Hellyer: Mr. Chairman, I think the hon. member for Winnipeg South Centre should take a lesson in moderation from his young colleague who is trying to be helpful and reasonable. Those are two qualities which my hon. friend could use in much greater abundance.

I have offered to meet the suggestion that was made by the hon. member for Digby-Annapolis-Kings because I felt it was reasonable. I cannot agree with the suggestion put forward by the hon. member for Winnipeg South Centre because I feel it to be unreasonable. All night he has suggested that because for 50 years we have not needed a range capability at Valcartier there should be no change. As much as he would like me to say that the procedures of the last 50 years will not be changed for all time, I am not in a position to do so. As a matter of fact, there are changes that have to be made and I think that the expansion of the facilities at camp Valcartier to provide adequate training exercise ground for the units stationed there is essential in the interests of national defence.

An hon. Member: Why send this to a committee?

Mr. Churchill: Mr. Chairman, I am not easily intimidated by the clacking of the other side of the house. I listened to the sage advice of the Minister of National Defence. The suggestion that this matter be referred to a committee is fine, but what will then happen when the committee brushes it aside or perhaps does not even consider it because, as the minister said, it might not come before that committee? The committee cannot make a decision. It can only talk about the situation, examine the facts and look at all the particulars, but it cannot make an effective decision. The decision can only be made by the minister and his cabinet, and that is why we are discussing the issue here rather than in a committee.

• (9:50 p.m.)

If the minister will promise that this matter after discussion in committee will be brought back into the house for the approval

of the House of Commons, that might be a different thing. He did not suggest that. I think my suggestion to him that he postpone everything for one year makes sense.

An hon. Member: Rescind the order in council.

Mr. Churchill: To rescind the order in council would be the easy way out, and that should be done. The minister gets a great deal of satisfaction out of referring to "one your age", meaning me. The fact that I participated in the first world war seems to have disturbed him. I was also in the second world war. Then he talks about my historical outlook on life and thinks it is smart to say that because something has been done for 50 years it should not necessarily be changed for the future. This is, of course, just utter rot and nonsense.

If Valcartier camp and the other camps in this country have been found to be satisfactory for 50 years, I say to the minister, show cause why it should be changed. The cause that resulted in the establishment of Gagetown was that we did not have facilities to train large bodies of troops together. That change was made. But the minister cannot show cause why we need more mortar ranges in this country. I do not know whether he even knows what a mortar is, what type of shell is fired from a mortar or the effect of it. The minister has not shown cause why this change should be made; yet callously and indifferently he is willing to expropriate property and drive out of their homes 25 families.

This is not in the national interest when it comes to military matters. There is no similarity between this and other examples that were used tonight. This change is simply required for military purposes, for warlike purposes, and for this reason the minister is going to dispossess 25 families of their homes. This is what we are objecting to, Mr. Chairman. I will make one final suggestion to the minister. Let us stand item 15 and let him think it over tonight, and we might pass the other items that are before us in committee.

[*Translation*]

Mr. Langlois (Chicoutimi): Mr. Chairman, may I put a question to the hon. member for Winnipeg South Centre?

Mr. Vincent: Since when are you the department's spokesman?

Mr. Langlois (Chicoutimi): Never mind the department, you had your turn.

Could the hon. member for Winnipeg South Centre, who stated many times, perhaps ten or twelve times, that Camp Valcartier, in the province of Quebec, has been a good training camp for the past 50 years, tell us tonight whether, according to him, there has been any change in the weapons made available to the Canadian Army in the past 50 years?

[*English*]

Mr. Vincent: That is the joke of the night.

Mr. Langlois (Chicoutimi): Mr. Chairman, perhaps the hon. member for Winnipeg South Centre would prefer me to put my question in English, as he is of Irish descent.

Mr. Churchill: If the colleagues of the hon. member would remain quiet, I could hear him; but they make so much noise that I cannot hear what is going on.

Mr. Langlois (Chicoutimi): Since you are a former minister of national defence I suggest that you must be well aware of the fact that for the last 50 years there has been a great deal of change in weapons used by the Canadian army. If there has been such a change in weapons I suppose they need a different kind of camp in which to train the army. I ask the hon. member, is this possible?

Mr. Churchill: I do not know what my hon. friend's experience has been, but I know a fair bit about weapons and the changes in weapons over the years.

Mr. Langlois (Chicoutimi): Mr. Chairman, about 12 times today the hon. member has spoken about musketry training at Valcartier and about moving these families from the area of the camp. Does the former minister suggest that instead of moving these 25 families from Valcartier we should close Valcartier and ship it out west, maybe?

Mr. MacEwan: That was a good maiden speech.

Mr. Pugh: Mr. Chairman, I was wondering whether by now the Minister of National Defence has been able to obtain a little more detail with regard to the 3,000 troops that are to be trained at Valcartier each year. How many of these troops will be trained in the use of long-range mortars?

The minister has made no attempt to answer my question. I wonder whether he would answer it now. He is so busy perhaps looking the question up that he has not been able to answer it. I repeat, Mr. Chairman, that I was wondering whether the minister

could let us know now, with regard to the 3,000 troops who are being trained at Valcartier or will be trained there, how many will be trained in the use of long-range mortars such as he has been talking about? If the minister cannot give me the answer now, it being almost ten o'clock I wonder whether we could stand this item over until tomorrow, when I am sure his officials will be able to dig out the answer and let us have it. This is a matter of training in being at the present time or training projected, and if it is training projected this information should be as readily available as if it were training in being.

Some hon. Members: Carried.

Mr. Pugh: Mr. Chairman, will the minister say whether he will study this question overnight, it being ten o'clock now? I would like to have the answer. I believe we are entitled to know the use that is going to be made of this mortar range and how many troops will be trained on it. The minister probably has the answer now, if he would stop reading his last speech.

May I call it ten o'clock, Mr. Chairman?

Item stands.

Resolutions adopted 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.

[*Translation*]

AGRICULTURE—QUEBEC SUGGESTIONS ON CROP INSURANCE

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, it is to the Minister of Agriculture that I am directing my question tonight with regard to the federal-provincial conference held a few days ago and concerning the Crop Insurance Act and its application to the province of Quebec and elsewhere.

During the last election campaign, we advocated the establishment of a dairy commission. We also advocated the establishment of a feed grain board for eastern Canada and British Columbia. We advocated amendments to the Unemployment Insurance Act so as to include farmers. We also advocated making the Crop Insurance Act more flexible so that Quebec farmers might take advantage thereof.

Last year, the situation was disastrous for several farmers of the province of Quebec because the crops were poor. Thus, arose the necessity and urgency of extending the provisions of the Crop Insurance Act to farmers of the province of Quebec.

Mr. Speaker, I shall point out, before putting more specifically the question that I wish to address to the Minister of Agriculture, that the problem of distribution will soon be before us; I want to mention the fact that, even if the new electoral distribution has become a demographic necessity, the voice of the farmer is nevertheless threatened by this redistribution problem. For instance, I am thinking of the fact that the constituency of Lotbinière, which is the one I represent and which is essentially rural, will become a mostly urban constituency.

This could also apply to the constituency of Bellechasse, in which the town of Montmagny will be integrated. It could apply to the constituency of Nicolet-Yamaska, which will be absorbed by that of Drummond.

Consequently, the voice of the farmer is threatened by the fact that members will no longer be interested in letting it be heard so loudly, since the constituencies will become more or less urban.

That is why, during this short debate, I take this opportunity to call attention to this situation which could be dangerous and to say, in my capacity of member for Lotbinière, that I shall make every effort, along with all my colleagues from rural constituencies, to have this threat removed.

I am asking the minister what are the results of the last federal-provincial conference on crop insurance.

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, crop insurance, as the hon. member is no doubt aware, comes under provincial jurisdiction. The provinces are responsible for the organization and administration of these programs. The federal act provides that Canada may assist the provinces in implementing their crop insurance programs through contributions to administrative costs and payments necessary to make these programs self-supporting. In addition, Canada can agree to re-insure a substantial part of the risks the provinces incur under these plans.

Certain provinces were hesitant to establish crop insurance because their farmers stated the indemnities currently authorized under federal legislation are insufficient to be worth while. Some provinces, in addition, criticized federal legislation for not allowing

Canadian contributions to insurance plans covering fodder crops.

Shortly after my appointment as Minister of Agriculture, I gave certain provincial authorities to understand that before making a final decision on the amendments to the federal act I would recommend during the current session, I would call a conference of provincial authorities to give them the opportunity to state the amendments they would suggest. Representatives from the ten provinces were in attendance at this conference held last Thursday.

The provinces of Ontario and Quebec have indicated that they were chiefly interested in establishing crop insurance schemes for fodder, especially for dairy cattle.

A great deal of the day was devoted to a discussion on that kind of crop insurance. The federal government is now aware of the views of the provinces and that will enable it to determine the type of changes that should be presented to parliament. It is my firm intention to do everything I can—

Mr. Speaker: Order. I regret to interrupt the minister, but his time is over.

[*English*]

LABOUR RELATIONS—WHITESHELL, MAN.—STRIKE AT NUCLEAR RESEARCH STATION

Mr. E. R. Schreyer (Springfield): Mr. Speaker, the strike of nuclear reactor operators at the Whiteshell nuclear research establishment has been on for a week now. Normally one would not raise a matter such as this in the House of Comons but would leave it to the process of collective bargaining. However, there are one or two aspects of Crown corporation or government policy connected with this labour dispute which deserve an airing here and an answer by the minister and his department.

Without going into the detail of the points in dispute between the striking workers and Atomic Energy of Canada Limited, I can say that the main cause of the strike has to do with Atomic Energy of Canada rigidly insisting on maintaining an artificial wage differential as between its Chalk River establishment and its Pinawa establishment. Apparently the reason given for maintaining this differential is that the Pinawa area is in a low wage area of the country; therefore the corporation refuses to bring the wages up to parity with wages paid at Chalk River.

Proceedings on Adjournment Motion

• (10:10 p.m.)

Mr. Speaker, this differential has no basis in economic fact, because research indicates pretty clearly that the prevailing rate of pay to similar employees working for Manitoba Hydro and for other corporations is actually above the rate paid to operators in Pinawa, and even at Chalk River. Therefore in that sense it is not a low wage area at all.

Furthermore it has been proven that the cost of living to the workers in the nuclear research establishment in Pinawa is actually higher than the cost of living encountered by the workers at the Chalk River establishment. The policy that is being maintained by Atomic Energy of Canada Limited in this regard is actually not proportionate to the cost of living, but is actually perverse, having regard to the cost of living. It is very difficult for the nuclear reactor operators to accept this policy. There is serious questioning of it.

Furthermore, allegations are made to the effect that Atomic Energy of Canada Limited in this regard is following cabinet directives. I should like to hear from the minister or from his parliamentary secretary some concrete comment about this, because if it is a fact that cabinet is issuing directives to Atomic Energy to maintain these wage differentials, it amounts to a serious kind of regional discrimination. I think not only the workers of that area, but the people of Manitoba have every right to demand that this policy be reversed.

Mr. Jack Davis (Parliamentary Secretary to Minister of Mines and Technical Surveys): Mr. Speaker, the member for Springfield (Mr. Schreyer) originally asked two basic questions. The first is, has the minister involved himself in any steps or taken any action to settle the strike at Whiteshell nuclear research establishment. The answer is no. However, the minister has been fully informed regarding the negotiations between Atomic Energy of Canada Limited and the Canadian Union of Public Employees.

The second question is, has the minister or the government issued any directive to Atomic Energy of Canada Limited relative to wage levels and wage differentials to be paid as between the Chalk River plant and the Whiteshell plant. Again the answer is no.

However, it is common knowledge that different hourly rates are paid across the country for the same work having regard to the wage structure existing in different parts of Canada. It is also the practice of the

federal civil service to pay prevailing rates to its hourly paid employees.

I should like to include a little background with these remarks. In February, 1965, the Canadian Union of Public Employees was certified by the Canada Labour Relations Board as bargaining agent for the hourly paid nuclear reactor operators employed by Atomic Energy of Canada Limited at its Whiteshell nuclear research establishment. There are currently about 28 in this classification, out of a total Whiteshell staff of 400.

Negotiations commenced in June, and before long a tentative agreement had been reached on a number of items. When the parties were unable to agree on the remaining items, including wages, a conciliation officer was appointed by the federal Department of Labour at the union's request, and subsequent meetings were held under his auspices.

During this period, A.E.C.L. was also negotiating with 15 other unions representing some 2,000 employees in various classifications at Chalk River and Ottawa. The first settlements came in August, when A.E.C.L. reached agreement at conciliation boards with 11 unions representing hourly-paid employees at Chalk River. Settlements were reached shortly thereafter with the five other unions at Chalk River and Ottawa, leaving the two Whiteshell unions outstanding.

Immediately following the Chalk River settlements, substantially improved offers, matching the increases accepted by the Chalk River and Ottawa unions, were made to the two Whiteshell unions, and rejected by them. As a conciliation board was being set up to consider similar questions between the company and the Whiteshell machinists union, A.E.C.L. and Canadian Union of Public Employees representatives agreed to suspend their discussions until that board had met and made its report.

The Conciliation Board met in October, and issued its report late in November. A settlement between A.E.C.L. and the Whiteshell machinists union based on this report was finally achieved, after further meetings, in January, 1966.

Negotiations between A.E.C.L. and the Canadian Union of Public Employees had meanwhile resumed.

Mr. Speaker: Order, please. It is with great regret that I must interrupt the hon. member's very interesting remarks, because unfortunately his time has expired.

[Mr. Davis.]

FINANCE—U.S. TAX ON RAPESEED OIL AND MEAL

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I regret that the Minister of Finance is not in his seat. However, I notice that his parliamentary secretary is, and I hope that he will transmit the remarks I have to make to the minister.

I welcome this opportunity to debate the question of tariffs and duties on edible oils. Canadian edible oils, particularly rapeseed, are subject to an import tax amounting to one cent per pound when imported into the United States though edible oils produced elsewhere can enter Canada duty free.

This is a question with which I have been concerned for some time. In January of 1962 I presented a brief to the Tariff Board —reference No. 131—when hearings took place here in Ottawa. I made a submission on behalf of the oil seed producers of Canada, but nothing was done; nothing came out of that hearing.

As you are probably aware, Mr. Speaker, rapeseed when processed is manufactured into an edible oil comparable to soybean oil, cottonseed oil, peanut oil or any other oil on the vegetable oil market. A by-product of processing is the meal which is used in the production of livestock and poultry feeds and concentrates.

At the present time our tariff structure allows soybean oil, the largest competitor to rapeseed oil, into Canada from the United States under a 20 per cent tariff. However, the soybeans themselves can be brought in duty free and so can other oil seeds.

These seeds and beans are transported into Canada and processed here. Then the processed oil is sold on the Canadian market. The Canadian processor may also ship the oil back into the United States duty free or export the oil and meal under the British preferential tariff, provided they contain 25 per cent Canadian content. Cottonseed oil, peanut oil and corn oil all enter Canada duty free.

On the other hand, while no tariff is placed against it, Canadian rapeseed sold in the United States is subject to an import tax of one cent per pound. Canadian rapeseed meal going into the United States bears a tariff of $6 per ton.

In addition to exports from the United States, rapeseed oil which originates in Sweden or West Germany can also be

brought into this country free of duty, though our own oil must pay duties or tariffs if exported to those countries. This is a disgrace.

I have taken my present stand on many occasions and when I presented by brief to the Tariff Board exactly four years ago I thought some steps would be taken to correct this injustice. However, nothing has been done, and nothing is in the process of being done in connection with this matter.

I should like the Minister of Finance to look into this question and explain why the Tariff Board has not taken any steps to remedy this deplorable situation as far as Canadian edible oils are concerned. I should also like the Minister of Finance to take this matter into consideration when he prepares his budget.

Not long ago—last December, in fact—a symposium was held sponsored by the Department of Industry. I must congratulate the rapeseed industry, in particular, on the success of this symposium. Dr. Weinberg who was instrumental in arranging this gathering, as well as Dr. Rupert of the Department of Industry, have done wonderful work. The professors and scientists from all the universities of the prairies—Manitoba, Saskatchewan and Alberta—took part in these discussions to promote the rapeseed industry and the edible oil industry in Canada.

• (10:20 p.m.)

Mr. Jean Chrétien (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I can assure the hon. member that I will bring to the attention of the minister the very interesting case he put before the house tonight, but I am glad to inform him that the Canadian tariff does provide free entry for rapeseed oil. For most uses rapeseed oil is subject to a duty into the United States.

The tariff board in its report on reference No. 131—oil seeds, vegetable oils and related products—proposed a rate of 10 per cent most favoured nation on crude rapeseed oil and 17.5 per cent most favoured nation on refined rapeseed oil. The board's recommendations are being given consideration.

Motion agreed to and the house adjourned at 10.23 p.m.

[The following items were passed in committee of supply this day]:

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 $2,560,546,715 for the purposes of votes 1, 5, 15, 20, 25, 30, 35, 40 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 $1,044,262,000 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 in respect of assistance rendered to the United Nations, any party of the North Atlantic Treaty Organization or any provincial or municipal government, $5,204,855.

Inspection services—

5. Operation and maintenance and construction or acquisition of buildings, works, land and equipment, $7,395,860.

HOUSE OF COMMONS

Wednesday, February 23, 1966

The house met at 2.30 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, February 23, 1966

Sir:

I have the honour to inform you that the Honourable Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, February 23, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
sir
Your obedient servant,
A. G. Cherrier
Assistant Secretary to the Governor General

SHIPBUILDING

BRITISH COLUMBIA—TABLING OF CORRESPONDENCE RESPECTING SUBSIDIES

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the hon. member for Comox-Alberni (Mr. Barnett) asked me the other day to table my correspondence with the premier of British Columbia concerning the shipbuilding subsidies program, and I am very glad to do this now.

PRIVILEGE

MISS LAMARSH—REPORTED STATEMENT RESPECTING CENTENNIAL ADVERTISING CONTRACTS

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I rise on a question of personal privilege related to certain remarks reported to have been made in Toronto yesterday by one Jerry Goodis, president of the Toronto advertising firm of Goodis, Goldberg, Soren Limited.

As reported in the business section of this morning's *Globe and Mail*—

Mr. Speaker: Order, please. I regret to interrupt the minister. Notice was given to the Chair within a few minutes of two o'clock or around two o'clock that this question of privilege might be raised by the minister. However, as far as I know, no written notice was given as required by the rules, and I suggest in the circumstances that the minister cannot raise a question of privilege unless the house desires to allow the minister to make a statement.

Some hon. Members: Agreed.

Mr. Speaker: Agreed.

Miss LaMarsh: I thank the house for its indulgence, Mr. Speaker.

As reported in the business section of this morning's *Globe and Mail*, Mr. Goodis has publicly accused me of what he calls partisan pork-barrelling in the allotment of what he refers to—

An hon. Member: What's wrong with that?

Miss LaMarsh: —as $5 million worth of centennial advertising and promotion.

If I might correct Mr. Goodis on one point of fact at the outset, I would point out that the $5 million figure referred to represents the total amount of advertising and promotion to be contracted by government agencies—and this includes the government travel bureau as well as the centennial commission—for the promotion inside Canada and without of our centennial celebrations.

Of that amount authorization has to date been finalized for only $1,260,000. This involves promotion and advertising inside Canada by the centennial commission. Within this amount three separate contracts have been awarded; one for English language advertising, one for French language advertising and one for the special promotion of the Canada Festival performing arts program. The award of a fourth, for public relations services, currently is under study.

As to the three that have been awarded, I wish to make it clear that these were matters initiated and decided by the centennial commission itself. The procedure followed by the commission in this regard was completely in line with that normally followed by all governments and private interests in this field. It was—and I have a statement from the general manager of this organization to confirm this—in line to the letter with the code of ethics laid down by the Institute of Canadian Advertising.

The commission, as is done in every other case, invited certain advertising and public relations agencies to bid for the contracts.

The number invited totalled not four, as was suggested by Mr. Goodis, but 15. The five agencies which were invited to bid for the major English advertising contract in particular account among them for 40 per cent of all the business done in this field in Canada. Rather than being the "pets" of any minister or government, they are acknowledged by both public and private interests to be the leading practitioners of their profession in Canada.

Mr. Speaker: Order, please. The Chair has great hesitation in interrupting the minister, particularly in view of the fact that she has received the consent or unanimous agreement of the house to make a statement at this time, presumably on the question of privilege. I have a very serious doubt as to whether it is a question of privilege at all. The minister is questioning the accuracy of statements made outside the house, and I suggest to her that perhaps another opportunity might be afforded to her to rectify the record, if she feels that the record ought to be rectified.

I submit with the greatest of deference to the minister that there is really no question of privilege. I have heard the substance of what she proposes to say at this time, and as I say I hesitate to interrupt her, but I would ask her not to pursue her statement and to bring it on at another occasion.

Hon. Michael Starr (Ontario): Mr. Speaker, I rise on a point of order. If you think there is no question of privilege in the statement being made by the minister, I think the matter should end right there.

Mr. Speaker: This, of course, is what the Chair is suggesting. However, there is nothing to prevent the minister from making a statement on another occasion, but not as a question of privilege.

Mr. Stanley Knowles (Winnipeg North Centre): On the point of order, Mr. Speaker, I wonder if it could be asked whether the minister will found a motion on the question of privilege. Is that not the test?

Mr. Speaker: The minister can make a motion if there is a prima facie question of privilege. The Chair is of the opinion that there is not.

INTERNATIONAL LABOUR ORGANIZATION

TABLING OF INSTRUMENTS ADOPTED AT FORTY NINTH CONFERENCE

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, in accordance with article 19 of the constitution of the International Labour Organization I wish to table the texts in English and French of the instruments adopted at the forty ninth international labour conference held in Geneva, Switzerland, in June, 1965. The instruments consist of two international labour conventions and three recommendations.

The constitution of the I.L.O. requires a member state to bring conventions and recommendations "before the authority or authorities within whose competence the matter lies for the enactment of legislation or other action". In the case of a federal state there is the further obligation on the part of the member state to refer instruments which are wholly or partially within provincial legislation jurisdiction to appropriate provincial authorities "for the enactment of legislation or other action", and to arrange for periodic consultations with a view to promoting co-ordinated action to give effect to the provisions of the instruments.

The opinion of the Minister of Justice, a copy of which I am also tabling, is that each of the five instruments adopted last July is partially within federal legislative jurisdiction and partially within provincial jurisdiction.

There has been considerable interest in recent months in the possibility of ratifying more I.L.O. conventions the subject matter of which falls wholly or partially within provincial jurisdiction. There has been correspondence with the provinces concerning a number of conventions, and the matter was discussed on January 14 at a federal-provincial conference of ministers of labour.

Of the five instruments adopted at last years' conference of the I.L.O., four concern underground employment in mines. There is a convention plus a supplementary recommendation on minimum age for such employment underground, a recommendation on medical examination of young persons employed underground and a recommendation on conditions of underground employment of young persons in mines.

As many hon. members are no doubt aware, there is no provision in the I.L.O. constitution for the ratification of recommendations, whose purpose is to serve as a guide to member governments as to desirable policy. Conventions on the other hand may be ratified if the legislation and policy in a country corresponds with the requirements of the instrument.

In the case of the conventions relating to young persons in mines, it appears that Canadian legislation and policy for the most

part conforms with at least the major provisions of the I.L.O. instruments. Steps will therefore be taken to explore with the provinces whether further action is advisable to ensure full compliance with the instruments. If this can be achieved, the Canadian government would then be in a position to ratify the two conventions.

The fifth instrument is a recommendation concerning employment of women with family responsibilities. This recommendation is of considerable interest to us in Canada, because of the recent impressive increase in women's participation in the labour force. In the past the employment situation of male workers has provided the benchmark of labour force policies, but in light of the changing composition of the labour force there is increasingly urgent need to develop policies and services, which will assist women with family responsibilities to fulfil their dual role and at the same time safeguard their rights and status in employment.

The I.L.O. recommendation provides a useful guide for the development and adaptation of policies and services appropriate to their changing circumstances. It will be widely distributed among provincial and other authorities having responsibilities in this area.

EXTERNAL AFFAIRS

TABLING OF INTERNATIONAL AGREEMENTS AND REPORT OF EDUCATION CONFERENCE

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): By leave of the house I should like to table copies in French and in English of a number of international agreements recently entered into by the government of Canada.

I should also like to table copies in French and English of the report of the third commonwealth education conference held in 1964.

FINANCE, TRADE AND ECONOMIC AFFAIRS

MOTION FOR CONCURRENCE IN FIRST REPORT OF COMMITTEE

Mr. H. E. Gray (Essex West): Mr. Speaker, if I can be given unanimous consent of the house I would like to move, seconded by Mr. Laflamme, that the first report of the standing committee on finance, trade and economic affairs presented yesterday, Tuesday, February 22, be now concurred in.

Mr. Speaker: Does the hon. member have unanimous consent of the house?

Mr. Alexis Caron (Hull): No, not before it is read.

Mr. Speaker: The hon. member does not have unanimous consent.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

J. RENÉ HOTTE, REAL ESTATE AGENT, MONTREAL

Question No. 27—**Mr. Orlikow:**

Has the government of Canada used the services of J. René Hotte, a real estate agent of Montreal and, if so (a) what type of transaction has he handled for the government (b) has the government of Canada become dissatisfied with the work of Mr. Hotte and, if so, for what reason, and (c) has the government of Canada conducted an investigation into the activities of Mr. Hotte with regard to the work done by him on behalf of the government and, if so, what type of investigation was carried out and what were the results of it?

Hon. Judy V. LaMarsh (Secretary of State): No.

BRANCHES ABROAD OF CANADIAN TEXTILE COMPANIES

Question No. 31—**Mr. Allard:**

Have any Canadian textile companies set up branches in other countries or invested capital abroad for the purpose of building textile factories and, if so, (a) what are the names of these Canadian companies (b) what are their names abroad, (c) in what foreign countries have these factories been built, (d) does the government of Canada permit these factories to export textile products to Canada and, if so, in what proportion of their production (e) what kinds of material have been exported to Canada by these factories abroad for each year since 1960 and what are the amounts of these exports?

Hon. Judy V. LaMarsh (Secretary of State): No information concerning foreign subsidiaries or branches of Canadian companies is available.

COST OF PROVIDING COLOUR TELEVISION

Question No. 107—**Mr. Ormiston:**

What is the estimated cost to the C.B.C. of putting colour production and transmission facilities in place to provide for limited network programming and for full network programming (English network), assuming the 1965 proportions of network programs originating from Toronto and from regional production centres are maintained?

Hon. Judy V. LaMarsh (Secretary of State): A. The estimated capital cost of C.B.C. colour production and transmission facilities to provide limited network colour programming in both languages is expected to be $15,000,000 by the beginning of 1967.

Questions

B. The estimated share of capital costs for full colour programming English network only, is of the order of $30,000,000. This is a planning figure only extended to 1971-72. It is necessarily a somewhat arbitrary estimate because most capital colour facilities will be shared by C.B.C.'s national, regional and local program services and by English and French services at some locations. The C.B.C. has not been authorized to enter colour to the foregoing extent but colour requirements have necessarily been estimated in all plans for consolidation and replacement of equipment. The English network's share of these proposals and of the $15,000,000 in A is included in the estimate.

PUBLIC SERVICE PERSONNEL

Question No. 125—**Mr. Caouette:**

1. As of March 31, 1963, and March 31, 1965, how many persons were in the public service of Canada under the civil service?
2. As of March 31, 1963, and March 31, 1965, what was the total amount of salaries paid to persons belonging to the public service of Canada and coming under the civil service?

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to the Minister of Trade and Commerce): 1. Salaried employment in departments and departmental corporations of the government of Canada totalled 162,715 at March 31, 1963 and 164,554 at March 31, 1965.

2. Salaried payroll in departments and departmental corporations of the government of Canada totalled $61,448,000 for the month of March 1963 and $67,297,000 for the month of March 1965.

Civil Service employment under the Civil Service Act is not available for March 31, 1963. However, such employment at September 30, 1963, totalled 136,140 and at March 31, 1965, the total of such employment was 137,740. No associated payroll data are available.

CIVIL SERVICE PERSONNEL

Question No. 182—**Mr. Laprise:**

1. At the end of the year 1965, how many civil servants were in the employ of the federal government in (a) Canada, and (b) abroad?
2. How much did the government spend in 1965 for the services of these civil servants in (a) Canada, and (b) abroad?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): 1. At October 31, 1965, salaried employment in departments and departmental corporations of the government of Canada numbered (a) 164,129 in Canada and (b) 3,199 abroad.

[Miss LaMarsh.]

2. The payroll of these government employees amounted to (a) $70,751,000 for those employed in Canada and (b) $1,320,000 for those employed abroad.

Civil Service employment under the Civil Service Act is not available at October 31, 1965. However, at September 30, 1965, the numbers employed were (a) 138,280 in Canada and (b) 1,350 abroad. No associated payroll data are available.

[*English*]

COMPARISON OF IMPRISONMENT RATES

Question No. 199—**Mr. Hopkins:**

How does the rate of imprisonment in Canada compare with that prevailing in other Western countries?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): Comparable statistics are not available to permit a valid comparison between Canada and other western countries.

BENEFITS TO CANADIAN MEMBERS OF UN FORCES

Question No. 201—**Mr. Groos:**

1. What special pay or extra benefits are granted to members of the Canadian armed forces for service overseas with the United Nations forces?
2. Are members of the armed forces of Canada who have served with the United Nations forces overseas entitled to benefits under the Veterans Land Act?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of National Defence and Veterans Affairs as follows:

1. Members of the Canadian armed forces do not receive special pay for service overseas with the United Nations. Special allowances are, however, payable for such service, apart from normal rates of pay and allowances, as follows:

A. I. United Nations military observer group—India Pakistan (UNMOGIP). II. United Nations India Pakistan observer mission (UNIPOM). Allowances for both U.N. operations are as follows: (a) Foreign allowance—pursuant to the Queen's regulations and orders—ranging from $9.00 per month for a private to $37.50 per month for a colonel. (b) United Nations living allowance—All ranks—$14 per diem if posted to New Delhi, Srinigar, Rawalpindi, Karachi or Lahore. $11 per diem if posted to any other location. (c) Clothing allowance—paid by the United Nations' paymaster in accordance with the United Nations Sealed Administrative Handbook for field operations. UNMOGIP—$200—

half of which is payable on arrival and half on completion of six months tour. UNIPOM —$50—payable on arrival and adjustments to be determined depending on the future of the mission.

B. United Nations truce supervision organization in Palestine (UNTSO). (a) Foreign allowance—as for IIa above. (b) United Nations living allowance—All ranks—$10 per diem.

C. United Nations emergency force—Middle East (UNEF). (a) Foreign allowance—as for IIa above. (b) Special supplementary allowance—All ranks $39 per month. (c) A special United Nations allowance—All ranks—(i) Gaza/Sharm El Sheikh—92¢ per diem; (ii) Cairo/Port Said—$2.24 per diem; (iii) Beirut —$2.60 per diem.

D. Canadian contingent—United Nations Cyprus (a) Foreign allowance—as per IIa above; (b) Special allowance—All ranks—$69 per month.

E. Military armament commission—Korea (a) Foreign allowance—as per II above. (b) Representation allowance—$800 per year.

2. Members of the armed forces of Canada who served as part of the United Nations forces to restore peace in the Republic of Korea are eligible to apply for the benefits of the Veterans' Land Act provided they served in a theatre of operations on the strength of the special force prior to July 27, 1953 and were, or were deemed to be, honourably discharged on or before October 31, 1953. In addition, those persons who enrolled in the special force and did not serve in a theatre of operations are eligible to apply for the benefits of the Act if they are in reciept of a pension under the Pension Act in respect of such special force service. No other members of the armed forces of Canada became eligible to apply for benefits under the act by virtue of service in any other operation undertaken by the United Nations.

TEMPORARY ABSENCE OF PENITENTIARY INMATES

Question No. 240—**Mr. Brown:**

By institutions, how many inmates during 1965 prior to end of sentence have been granted temporary absence pursuant to the provisions of section 26(a) of the Penitentiary Act?

Hon. L. T. Pennell (Solicitor General): Atlantic provinces: Dorchester penitentiary, including farm annex, 14; Blue Mountain correctional institution, 15; Springhill minimum security institution, 11. Quebec: St. Vincent de Paul penitentiary, including industrial and farm annexes, 24; Leclerc institution, 24; Valleyfield institution, 31; Gatineau correctional camp 7; Federal training centre, 43. Ontario: Kingston penitentiary, 12; Prison for women, 13; Collin's Bay penitentiary, including farm annex, 5; Landry Crossing correctional camp, 1; Beaver Creek correctional camp, 6; Joyceville institution, including farm annex, 7. Manitoba: Manitoba penitentiary including farm annex, 30. Saskatchewan: Saskatchewan penitentiary, including farm annex, 42. British Columbia: British Columbia penitentiary, 67; Agassiz correctional camp, 21; William Head institution, 7; Mountain prison (Doukhobors), 6. Total, 386.

EXPORTS OF SALMON EGGS TO JAPAN

Question No. 307—**Mr. Howard:**

1. Does the government have any knowledge as to whether or not salmon eggs are being shipped or exported to Japan, and if so, for each month during which such shipping or exporting has taken place within the past two years, what has been the volume thereof?

2. What are the names and addresses of each person, organization or company, which has so shipped or exported salmon eggs and under what authority was this done?

Hon. Robert Winters (Minister of Trade and Commerce): 1. Pacific salmon eggs are available in three forms, i.e., live salmon eggs, salmon roe or caviar and salmon roe for use as bait. Exports of salmon eggs or roe are not listed specifically in the Dominion Bureau of Statistics' returns, but are included under classification number 4940—fish roe, fresh, frozen or cured. The largest percentage of exports under this classification are salmon roe. Such shipments to Japan during the calendar years 1963 and 1964 and the latest available returns, January-November 1965, are listed in the attachment. No export permits are required for the export of salmon eggs in the salmon roe or bait forms. Shipments of live salmon eggs for transplanting or scientific purposes are subject to license by the Minister of Fisheries. I am informed that no such shipments were made to Japan during the past three years.

2. Listing of the names and addresses of exporters of salmon roe would be in violation of the secrecy provisions of the Statistics Act.

Canadian Exports of Fish Roe (N.E.S. fresh, frozen, cured) to Japan

Classification No. 4940

Month	1963		1964		11 Months 1965	
	Quantity cwt.	Value $	Quantity cwt.	Value $	Quantity cwt.	Value $
January	8	396	27	4,200	64	3,866
February	—	—	—	—	—	—
March	—	—	—	—	107	6,977
April	—	—	—	—	—	—
May	—	—	—	—	—	—
June	1	420	—	—	—	—
July	81	6,692	115	11,457	67	9,800
August	114	9,140	916	91,324	1,598	162,467
September	1,414	132,109	790	73,947	2,109	202,658
October	1,507	144,126	1,861	184,298	1,015	104,848
November	1,045	100,330	1,460	132,917	1,451	143,676
December	254	23,805	514	41,035	(not available)	
Total	4,424	417,018	5,683	539,178	6,411	634,292

SOURCE: D.B.S. Export Statistics.

VACATION PROVISIONS, POLYMER CORPORATION

Question No. 315—**Mr. Douglas:**

1. To how many weeks of annual vacation are the employees of the Polymer Corporation entitled?

2. Did all employees receive the full annual vacation to which they were entitled in 1965?

3. If not, how many employees did not receive their full annual vacation?

4. If not, what were the reasons why such employees did not receive their full annual vacation?

Hon. C. M. Drury (Minister of Industry): Polymer Corporation Limited reports:

1. Wage employees of Polymer Corporation are entitled to two weeks vacation after one year of service, three weeks after ten years of service and four weeks after 20 years of service. Salaried employees are entitled to two weeks vacation after one year of service, three weeks after five years of service, four weeks after 15 years of service and five weeks after 25 years of service.

2. All but 21 employees of the company received the full annual vacation to which they were entitled in 1965.

3. Twenty-one as indicated above in part 2.

4. The remainder of the vacation periods for the 21 employees were set over into 1966 by mutual agreement because of sickness or their involvement in special assignments or projects.

[Mr. Winters.]

MILITARY MISSION TO NIGERIA

Question No. 352—**Mr. Winkler:**

1. What are the names of the countries to which Canada has dispatched military advisory missions?

2. If Nigeria is included in these countries (a) when was the mission sent (b) who requested it (c) what was the strength of the mission (d) what is the nature of the equipment it uses (e) what is the per diem cost of the Canadian mission (f) does Canada pay this entire cost (g) is the mission still in Nigeria (h) is the mission advising the present regime (i) has any other Commonwealth country sent a military mission to Nigeria?

Hon. Paul Martin (Secretary of State for External Affairs): 1. Canada has dispatched Canadian forces teams to Ghana, Nigeria and Tanzania. The functions of these teams are training and, in the case of Tanzania only, the provision of advice concerning defence organization.

2. (a) In June and July 1964; (b) the Nigerian government; (c) two officers of the Royal Canadian Navy; (d) Nigerian supplied equipment for tuition in navigation, hydrography and electronics; (e) costs of normal pay and allowances for both these officers, which are borne by Canada, amount to a total of about $16,500 per year; (f) all other costs, including allowances for foreign service normally paid to members of the Canadian forces, are borne by the Nigerian government. The total cost to the Nigerian government of

these payments is not precisely known; (g) yes; (h) no. It has training functions only; (i) other Commonwealth countries have members of their services associated with the Nigerian forces in various capacities.

*GOVERNMENT AIRCRAFT IN SERVICE JANUARY 21, 22 AND 24

Question No. 401—**Mr. Madill:**

1. How many aircraft owned by the Government of Canada were in use on trips (a) on Friday, January 21, 1966, after 3.00 p.m., and (b) on January 22 and January 24?

2. Which aircraft were so in use?

3. What trips were made by each, and who were the passengers on each trip?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. On the assumption that the question refers to aircraft in the executive flight and not all aircraft owned by the government the answer is 3.

2. Viscount CF-TGP, Viscount CF-DTA, Viscount CF-GXK.

3. On January 21, Viscount CF-TGP, flew from Ottawa to Montreal to carry Hon. Guy Favreau, President of the Privy Council and Hon. J. Marchand, Minister of Citizenship and Immigration. As is not unusual when ministers are using such aircraft several members of parliament were also passengers as well as two members of the press, one member of the minister's staff and an official of the Department of Transport.

On January 21, Viscount aircraft CF-DTA flew from Ottawa to Winnipeg and return to carry Hon. Roger Teillet, the Minister of Veterans Affairs, the chairman of the Canadian Pension Commission and certain members of the minister's staff. A member of parliament was also a passenger.

On January 21, Viscount CF-GXK flew from Ottawa to carry Hon. Paul Martin, Secretary of State for External Affairs to Windsor and Hon. Judy LaMarsh, Secretary of State, to Toronto. Certain members of the ministers' staffs were passengers as well as a number of officials of the centennial and several members of parliament.

On January 24, Viscount CF-DTA flew from Ottawa to Toronto to carry Hon. Allan MacEachen, Minister of National Health and Welfare and Hon. Robert Winters, Minister of Trade and Commerce and members of their staffs. Two members of parliament were also passengers on this flight.

I suggest to hon. members, please fasten your seat belts.

Questions

C.B.C. EMPLOYEE STATUS

Question No. 408—**Mr. Mather:**

1. How many C.B.C. employees are engaged in writing news copy and, of these, how many are women?

2. How many are employed as announcers and, of these, how many are women?

3. How many are employed as commentators in the farms and fisheries program and, of these, how many are women?

4. How many are employed as operators in studios (radio) and, of these, how many are women?

Hon. Judy V. LaMarsh (Secretary of State): 1. There are 167 C.B.C. employees engaged in writing news copy; of these seven are women.

2. There are 205 people employed as C.B.C. announcers; of these eight are women.

3. There are 23 C.B.C. farms and fisheries commentators, all of whom are men.

4. There are 234 radio operators, all of whom are men.

COLOMBO PLAN EXPENDITURES

Question No. 411—**Mr. Laprise:**

How much has the government spent each year in order to help the member countries of the Colombo plan (a) in economic aid, and (b) in technical aid?

[*Translation*]

Hon. Paul Martin (Secretary of State for External Affairs): Parliamentary appropriations for member countries of the Colombo Plan under various forms of development assistance have been as follows—

Year	Funds Appropriated	Funds Used For Capital Assistance	Funds Used For Technical Assistance
1950-51	400,000	—	400,000
1951-52	25,400,000	25,000,000	400,000
1952-53	25,400,000	25,000,000	400,000
1953-54	30,400,000	30,000,000	400,000
1954-55	25,400,000	24,750,000	650,000
1955-56	26,400,000	25,500,000	900,000
1956-57	35,876,000	34,506,000	1,370,000
1957-58	36,400,000	35,005,000	1,395,000
1958-59	48,000,000	46,635,000	1,365,000
1959-60	63,500,000	61,782,000	1,718,000
1960-61	50,000,000	48,350,000	1,650,000
1961-62	50,000,000	48,220,000	1,780,000
1962-63	41,500,000	39,190,000	2,310,000
1963-64	41,500,000	37,925,000	3,075,000
1964-65	63,500,000	59,935,000	3,565,000
1965-66	63,350,000	60,930,000	4,420,000
Total	$618,026,000		

Questions

Export Credits Insurance Corporation

In addition funds have been allocated to member countries of the Colombio Plan for development purposes under Section 21A of the Export Credits Insurance Act as follows—

1961-62	$ 20,000,000
1962-63	20,000,000
1963-64	30,800,000
1964-65	33,500,000
1965-66	12,500,000
Total	$116,800,000

[*English*]

WHARF CONSTRUCTION, METEGHAN, N.S.

Question No. 428—**Mr. Bower:**

1. Has any petition been received for the construction of a wharf at Meteghan, district of Clare, Digby county, Nova Scotia?

2. If so, have any surveys for this work been planned or made?

3. What was the decision as a result of the survey?

4. What is the estimated cost of construction of the wharf?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes.

2. Yes.

3. The department is presently constructing facilities for the fishery of this area at Saulnierville; consequently, to assure that any additional work undertaken would be of a kind most suitable to the local industry it would seem best to consider particular requests from nearby places when the impact of the Saulnierville development can be fully assessed.

4. It is not customary to reveal estimated costs.

SALARIES AND WAGES, POST OFFICE DEPARTMENT

Question No. 439—**Mr. Godin:**

What amounts did the Post Office Department spend, during the years 1962, 1963, 1964 and 1965 on (a) salaries and wages (b) professional and special services?

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General):

Fiscal year ended March 31st	(a) Salaries and Wages $	(b) Professional and Special Services $
1962	139,775,001.11	33,028.89
1963	143,293,772.28	69,432.82
1964	163,422,905.54	125,776.76
1965	162,140,191.99	151,952.90

[Mr. Martin (Essex East).]

The figures for salaries and wages include both payments from appropriations and salaries paid from postal revenue and also night differential allowance.

[*English*]

TIGHT MONEY POLICY

Question No. 447—**Mr. Crouse:**

1. Within the last twelve months, has the government, or the Bank of Canada as fiscal agent and with the knowledge of the government, taken any action or initiated any policy having or intended to have the effect of tightening the money supply in Canada?

2. Has the government any information to indicate that Canadian chartered banks are refusing loans to traditional customers?

3. If so, was this action the intended and logical consequence of the policy and action referred to in part 1?

4. If the answer to part 1 is in the affirmative, will the government give consideration to arranging or discussing with the Bank of Canada an exemption from such policy for the Atlantic provinces?

Hon. Mitchell Sharp (Minister of Finance): 1. The rate of change in the money supply (i.e. in the total of currency outside banks and chartered bank deposits) within the last twelve months has varied in accordance with the circumstances and the increase in the year ending January, 1966, has been $1,915,000,000 or 10.7 per cent.

2. While the government has no direct information on this subject, the demand for borrowed funds arising from the strong economic growth which has been taking place has been so intense that it is likely that some bank borrowers have been unable to secure as large loans as they would have liked. The chartered banks have tried to meet the normal borrowing needs of their traditional customers, particularly their smaller customers, and total chartered bank loans have increased by $1,690,000,000 or by 17.7 per cent during the year ending January, 1966.

3. Answered by 1 and 2.

4. Answered by 1.

DEATH OF DOUGLAS TURNER IN VIET NAM

Question No. 452—**Mr. Fairweather:**

1. What was the purpose of the flight in Viet Nam which resulted in the apparent death of Douglas Turner, an officer of the Department of External Affairs?

2. Upon what type of aircraft was the flight made?

3. How old was the aircraft?

4. What inspection and maintenance procedures were followed to ensure the safety and reliability of the aircraft and by whom were they carried out?

5. What steps have been taken to find the aircraft and its passengers?

6. Can it be assumed that Mr. Turner is dead or is there a possibility that he is a prisoner of the Viet Cong?

Hon. Paul Martin (Secretary of State for External Affairs): 1. The flight of the courier aircraft of the International Commission for Supervision and Control in Viet Nam, F-BELV, from Saigon to Hanoi, via Phnom Penh and Vientiane, was a routine authorized flight in accordance with the contract of the international commission in Viet Nam with the Compagnie Internationale des Transports Civil Aériens, the owners of the aircraft.

2. Boeing "Stratoliner".

3. The exact date of manufacture is unavailable; the manufacturer says all aircraft of this type were built in 1939 and 1940.

4. Normal inspection and maintenance procedures were followed by the Compagnie Internationale des Transports Civil Aériens, which held a certificate of air worthiness for the aircraft.

5. The International Commission for Supervision and Control in Laos, in co-operation with the Laotian authorities and the Compagnie Internationale des Transports Civil Aériens, carried out an intensive aerial search along the flight route and in the adjoining area up to the international border of North Viet Nam from October 19 to November 20, 1965. The North Vietnamese authorities also informed the commission that they had searched for the missing aircraft along the air corridor in North Vietnamese territory. These efforts failed to reveal the fate of the missing aircraft.

6. The report of the ad hoc committee established by the international commission in Viet Nam, and including a Canadian representative, to inquire into the disappearance of the aircraft concludes that the aircraft "met with an accident after it left Vientiane airport at 15.05 hours on 18 October, 1965 and that all the passengers on board aircraft F-BELV are dead". This conclusion was accepted by a unanimous vote of the commission on January 20, 1966.

TENDERS FOR NAVAL SUPPLY SHIPS

Question No. 454—**Mr. MacEwan:**

1. When will tenders be called for the two supply ships for the Royal Canadian Navy?

2. Will the tenders be on a national or regional basis?

Hon. C. M. Drury (Minister of Industry): 1. Tenders for the two operational support ships for the Royal Canadian Navy will be called in March 1966.

2. Tenders will be invited on a national basis in accordance with the shipbuilding procurement policy announced by the government on July 19, 1965.

DESIGNATED AREAS

Question No. 460—**Mr. Hales:**

1. How many firms have located and are receiving benefits in designated areas in Canada?

2. How many are new industries?

3. How many were established industries, but moved to the designated area in order to receive the benefits?

Hon. C. M. Drury (Minister of Industry): 1. The area development agency has been informed of 266 projects which when completed would appear to qualify for benefits under the area development program. These represent projects which are in various stages of completion in order to qualify for either the income tax exemption or the development grant.

2. Twenty projects are expansions of existing businesses and the remainder involve the establishment of new manufacturing or processing businesses.

3. Ten projects involve facilities which had been established elsewhere in Canada, and are being re-established in designated areas. In all cases, the re-established facilities must have new and unused machinery and equipment in order to qualify for the benefits. In most cases the re-established facilities represent a significant expansion of employment and production capacity.

GRANTS UNDER AREA DEVELOPMENT ACT

Question No. 461—**Mr. Hales:**

1. How many grants have been made under the Area Development Incentive Act since June 30, 1965?

2. What are the names and addresses of the firms receiving these grants?

Hon. C. M. Drury (Minister of Industry): 1 and 2. No payments of grants have yet been made under the Area Development Incentives Act of June 30, 1965.

IMPROVED C.B.C. TELEVISION SERVICE, MANITOBA

Question No. 464—**Mr. Stefanson:**

What plans has the C.B.C. for providing television service for the residents of Grand Rapids and Norway House, Manitoba, and adjacent areas?

Hon. Judy V. LaMarsh (Secretary of State): The corporation does not have any immediate plans for providing television service

to the Grand Rapids and Norway House areas of Manitoba. Any future plans for extension and maintenance of service to these and other geographically remote areas would depend largely upon available financial resources at the time. For the present, the C.B.C. has found it essential to give priority to similar coverage needs which can be met at substantially lower cost.

C.B.C. TELEVISION STATION, FISHER BRANCH, MANITOBA

Question No. 465—**Mr. Stefanson:**

1. Has the C.B.C. purchased land for the proposed television rebroadcasting station at Fisher Branch, Manitoba and, if so, from whom and at what price?

2. What is the estimated total cost for this television rebroadcasting station?

3. What is the estimated area that will receive good reception?

4. When does the C.B.C. expect this station to go into operation?

Hon. Judy V. LaMarsh (Secretary of State): 1. Yes, from Mr. R. B. Barrett of Fisher Branch, Manitoba, for the amount of $4,407.

2. $306,000. This figure includes land, building, equipment, tower, engineering, contingency and provides for future conversion to colour transmission.

3. The "B" contour of the proposed station, which is the accepted limit for adequate coverage, extends north from Fisher Branch, approximately 45 miles, south 32 miles, east 41 miles and west 44 miles. Generally speaking, fringe reception can be attained for some miles beyond the "B" contour with a suitable antenna.

4. It is expected that the station will go into operation late in August or early September 1966.

ACCURATE PRINTING SERVICES, OTTAWA

Question No. 466—**Mr. Irvine:**

1. Did Accurate Printing Services of Ottawa print any lists of electors for the 1965 General Election and, if so, for what electoral district?

2. Who is the president, manager, or principal officer of said company?

3. How many polling division lists did this firm print for each such electoral district?

4. What was the total amount paid to this firm in respect of each such electoral district?

5. Who, if anyone recommended this firm to the returning officer of each such electoral district?

6. Where are the premises of this firm located?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Chief Electoral Officer as follows:

1. Yes, for the electoral district of Carleton.

[Miss LaMarsh.]

2. No information.

3. Accurate Printing Services printed lists of electors for 125 polling divisions.

4. $5,848.35.

5. No information. Pursuant to subsection (5) of section 17 of the Canada Elections Act, the returning officer for each electoral district is responsible for the printing of lists of electors.

6. According to the heading on the account submitted, Accurate Printing Services is located at 12 Kelvin Crescent, Ottawa.

PARKING FACILITIES, PARLIAMENT HILL

Question No. 488—**Mr. Caouette:**

Does the government intend to build a larger parking area on Parliament Hill in the near future in order to meet the ever growing demands for parking facilities and, if so, when?

[*Translation*]

Hon. G. J. McIlraith (Minister of Public Works): The Government has not planned to extend the surface parking areas on Parliament Hill. A parking garage beside Parliament Hill is planned with the intention to start construction in the Winter of 1967-68.

PENSIONS FOR TUBERCULOSIS PATIENTS

Question No. 491—**Mr. Laprise:**

Does the government intend to modify the Disabled Persons Act, so as to enable a disabled person in a sanatorium for T.B. patients to receive a pension?

Hon. A. J. MacEachen (Minister of National Health and Welfare): As this is a matter of Government policy any announcement will be made by the Government at the appropriate time.

[*English*]

P.F.R.A. ADVISORY COMMITTEE

Question No. 492—**Mr. Stefanson:**

1. How often has the P.F.R.A. advisory committee met since April 8, 1963, and where were meetings held?

2. Who are the members of this committee?

3. What further meetings are now planned?

Hon. J. J. Greene (Minister of Agriculture): 1. The P.F.R.A. advisory committee last met on December 6 and 7, 1962.

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. James Cameron, Youngstown, Alberta; 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. At the present time there are no definite plans for the holding of meetings.

POST OFFICE CONSTRUCTION, QUEENS COUNTY, P.E.I.

Question No. 495—**Mr. Macquarrie:**

1. What are the commencement and completion dates of construction of post offices at York and Breadalbane, P.E.I.?

2. What is the area of land acquired as the site for each of the foregoing?

3. From whom was it acquired?

4. What other post office buildings are in contemplation or under construction in Queens county, P.E.I.?

Hon. G. J. McIlraith (Minister of Public Works): 1. York—Commenced 30-12-65, expected completion date 30-4-66. Breadalbane—Commenced 30-12-65, expected completion date 31-5-66.

2. York—22,500 sq . ft. Breadalbane—14,700 sq. ft.

3. York—Mr. Peter W. Proud. Breadalbane—Mr. Pomeroy Murray.

4. Nil.

FEDERAL BUILDING, RIVERPORT, N.S.

Question No. 496—**Mr. Crouse:**

1. Has any study or survey been made during the past year by or on behalf of the Department of Public Works indicating the need for constructing a federal public building at Riverport, Lunenburg county, N.S.?

2. If so (a) what is the area of land to be acquired for this building (b) where will it be located in Riverport (c) will the building be large enough to provide accommodation for a customs officer (d) will the building be large enough to provide accommodation for a fresh fish inspection officer (e) what area of the building will be allocated to the Post Office Department (f) what is the estimated cost of this building (g) has the department called for tenders on the building's construction and, if so, what is the closing date?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes.

2. (a) 11,250 square feet. (b) On the public highway. (c) Yes. (d) Yes. (e) 545 square feet. (f) $24,975. (See g) (g) Yes. The closing date was February 9, 1966.

INCREASES IN WHARFAGE CHARGES

Question No. 509—**Mr. Keays:**

1. Were there any increases in wharfage charges put into effect since 1962?

Questions

2. Were there any other charges imposed on the users of public wharves since 1962?

3. Were these charges uniform across the country?

4. Were any of these charges rescinded and, if so, where and in what amounts?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. Yes.

2. No.

3. Yes.

4. The wharfage charges on automobiles and trucks driven on or off a ferry vessel were rescinded for all wharves without having been assessed by order in council P.C. 1964-460 of March 26, 1964.

CENTRAL HEATING PLANT, OTTAWA

Question No. 524—**Mr. MacEwan:**

1. Has the central heating plant in Ottawa for government buildings been converted from coal burning facilities to natural gas?

2. If so, when was this operation carried out and at what cost?

3. What was the annual average consumption of coal in that plant during the last 10 years?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes. Converted to gas with oil as stand-by.

2. Contract awarded June 18, 1965. Work under way. Expected completion date March 31, 1966. Cost, $404,016.

3. 18,383 tons.

SURPLUS PAYMENTS BY CROWN CORPORATIONS

Question No. 544—**Mr. Caouette:**

1. Under section 81 (3) of the Financial Administration Act, has the Minister of Finance ordered the crown corporations to pay the amount which he considered as surplus over the requirements, during the last three years?

2. What corporations were required to do so?

3. During the last three years, what amount from each corporation was paid to the Receiver General under the said section?

[*Translation*]

Hon. Mitchell Sharp (Minister of Finance): 1. The amounts paid by the various crown companies to the government in interest, dividends, repayment of loans, and in other respects, together with the sums kept by them on deposit in the consolidated revenue fund, have made it unnecessary for the Minister of Finance to order crown corporations to pay any amounts to the crown under the section of the act referred to. Details of the payments made and deposits maintained are shown in the public accounts and the annual reports of the corporations.

2 and 3. Answered by No. 1.

Questions

[*English*]

SAND BAR, THAMES RIVER

Question No. 549—**Mr. Danforth:**

Has the Department of Public Works, from the report submitted by engineers regarding the sand bar at the mouth of the Thames river, come to the conclusion (a) that the sand bar does not present a hazard to the passage either in or out of the Thames river by a small craft used for fishing (b) that the sand bar in the mouth of the Thames river is not of such a nature as to cause an ice jam which would be responsible for the flooding of lands adjacent to the Thames river as was experienced in 1965?

Hon. G. J. McIlraith (Minister of Public Works): (a) Yes.

(b) The report of the Department of Public Works does not cover the problem of flood control as it is not generally the responsibility of the federal government.

USE OF ICEBREAKER, THAMES RIVER MOUTH

Question No. 550—**Mr. Danforth:**

1. Have representations been made to the Department of Transport by either the officials of the township of Dover, Kent county, Ontario, or representatives of the lower Thames conservation authority regarding the use of a Department of Transport vessel for icebreaking in Lake St. Clair in the vicinity of the mouth of the Thames river with a view of preventing an ice jam and flooding of valuable property by the Thames river as occurred in 1965?

2. Has the Department of Transport a vessel that could be used for such purposes now operating in Lake St. Clair or the Detroit river?

3. Has the Department of Transport made any plans or taken any action toward complying with representations made to the department on behalf of the conservation authority and submitted by the secretary treasurer, Mr. R. G. Gagner?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. An inquiry was received on 11th January from Mr. R. G. Gagner, secretary treasurer of the Lower Thames Valley Conservation Authority, regarding the possibility of the department providing help in the eastern part of lake St. Clair for the spring ice breaking in the Thames river.

2. The nearest Canadian coast guard vessel is wintering at Amherstburg, but is a small tender for aids to navigation that is quite unable to operate in ice of the thickness found in lake St. Clair.

3. There is no other vessel that the Department of Transport can send to this area as its only full icebreaker in the lakes is the *Alexander Henry*, which has too deep draft to operate safely in eastern lake St. Clair.

[Mr. Sharp.]

MONTREAL—THEFTS OF IMPORTED GOODS

Question No. 551—**Mr. Danforth:**

1. Has there been an increase in the theft from shipments of imported goods landed in the Montreal harbour?

2. What is the value either calculated or estimated of the claims by importers in regard to stolen goods in the port of Montreal for the years 1963, 1964 and 1965?

3. How does the theft of goods per tonnage imported at Montreal compare with the other major ocean ports of Canada?

4. Are the thefts of such a degree that extra measures of protection and apprehension should be considered?

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

1. No statistics available.

2. See answer to part 1.

3. See answer to part 1.

4. General statements made on pilferage in Canadian harbours and specific cases uncovered by the National Harbours Board have led the board to take increasing measures for security.

EFFECT ON CANADA OF U.S. MONETARY POLICY

Question No. 557—**Mr. Allard:**

Is a study being undertaken at the present time, on behalf of the government, on the repercussions in Canada of the new United States monetary policy, and, if so, when will the government be able to submit a report in this regard?

Hon. Mitchell Sharp (Minister of Finance): The repercussions in Canada of monetary, financial and economic developments in the United States and other major foreign countries are under continuous study and appraisal at all times by the appropriate authorities in the Canadian government. No special report is contemplated in this regard.

DEMURRAGE PAYMENTS BY WHEAT BOARD

Question No. 560—**Mr. Horner (Jasper-Edson):**

1. Are storage payments being made by the Canadian Wheat Board on grain in transit between the country elevator and the terminal?

2. Is the Canadian Wheat Board paying demurrage on box cars sitting on sidings loaded with grain?

3. Is the Canadian Wheat Board paying demurrage on ships waiting in ports to be loaded?

4. How much demurrage was paid by the Canadian Wheat Board in the last year in regard to both ships and railways?

Hon. Mitchell Sharp (Minister of Finance): 1. No.

2. No.

3. In cases where the board is unable to deliver under the terms of its sales contracts.

4. It is not the policy of the Canadian Wheat Board to divulge information in respect of its sales contracts for the current crop year.

DOMICILIARY CARE PATIENTS IN D.V.A. HOSPITALS

Question No. 562—**Mr. Harley:**

What percentage of the total of the patients in the various D.V.A. hospitals across Canada have been hospitalized and considered to be "domiciliary care" cases for the years 1964 and 1965?

Hon. Roger Teillet (Minister of Veterans Affairs): In 1964, domiciliary care cases constituted 41.4 per cent of the total patients in D.V.A. hospitals. In 1965, they constituted 41.9 per cent.

D.V.A. HOSPITAL PATIENTS NOT REQUIRING ACTIVE TREATMENT

Question No. 563—**Mr. Harley:**

What proportion of patients in D.V.A. hospitals at the present time could be treated in other than active-treatment hospitals?

Hon. Roger Teillet (Minister of Veterans Affairs): Of all the patients in D.V.A. hospitals at mid December, 1965, the most recent date for which statistics are available, 57.2 per cent could have been tretaed in other than active treatment hospitals.

*TOLL INCREASE, ST. LAWRENCE SEAWAY

Question No. 569—**Mr. Macaluso:**

Is it the intention of the government to request the government of the United States to agree to an increase in tolls on the St. Lawrence seaway from 40 cents to 45 cents per net ton on bulk cargo and from 90 cents to $1.00 per net ton on general cargo?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The June 30, 1964, international agreement requires that the St. Lawrence Seaway Authority and the St. Lawrence Seaway Development Corporation shall report to their respective governments as to the sufficiency of the authorized tolls, not later than July 1, 1966.

The Authority is reviewing these tolls with the Corporation at the present time, after which it will report to the government.

PAYMENTS BY EMERGENCY MEASURES ORGANIZATION

Question No. 570—**Mr. Saltsman:**

1. What amount has been paid by the Emergency Measures Organization to the various provinces during the fiscal year 1964-1965?

2. What individual amounts have been paid by E.M.O. to the counties and cities in Ontario during the fiscal year 1964-1965?

Hon. C. M. Drury (Minister of Industry): 1. Under grants to provinces and municipalities for civil defence and related purposes, a total of $4,927,236 was paid by the Canada Emergency Measures Organization to provinces as follows: Yukon, $147; Nfld., $47,651; P.E.I., $16,687; N.S., $218,021; N.B., $135,112; Que., $1,469,185; Ont., $1,556,228; Man., $222,825; Sask., $167,055; Alta., $517,599; B.C., $576,726.

2. Under civil defence financial assistance program, no individual amounts were paid to counties and municipalities by the Canada Emergency Measures Organization; however, included in the payment of $1,556,228 to Ontario, an amount of $1,180,942 was included for distribution by the province to its counties and municipalities.

HYDROGRAPHIC SURVEY, LAKE WINNIPEG

Question No. 574—**Mr. Stefanson:**

Was a survey carried out on lake Winnipeg, Manitoba, from 1957 to 1962 by the Canadian hydrographic service, and if so (a) will this survey be re-established (b) when will work commence, and (c) what is the expected completion date?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): 1. Yes. (a) The service plans to re-establish the lake Winnipeg survey in 1967 if there are sufficient trained survey staff available. (b) Answered by (a). (c) It is estimated that, by the use of modern techniques, the completion of the survey of the lake will require at least four seasons' work.

CHEESE IMPORTS AND EXPORTS, CANADA-U.S.

Question No. 584—**Mr. Bell (Carleton):**

1. What (a) quantity (b) dollar value, of cheese was imported into Canada from the United States in each of the years 1962, 1963, 1964 and 1965?

2. What (a) quantity (b) dollar value, of cheese was exported to the United States in each of the years 1962, 1963, 1964 and 1965?

3. Is there an import quota on Canadian cheese imposed by the United States?

4. If so, what is its nature?

Questions

5. When was it first imposed and what variations in it have there been, specifying dates and nature of such variations?

6. What negotiations have been undertaken by the government of Canada with the government of the United States since April 23, 1963 related to these quotas, and with what result?

Hon. Robert Winters (Minister of Trade and Commerce): 1. The (a) quantity (b) dollar value, of cheese imported into Canada from the United States in each of the years 1962, 1963, 1964, and January to September 1965 (latest figures available) was:

	(a) Quantity Cwt.	(b) Value $'000
1962	17,180	1,143
1963	15,928	981
1964	19,938	1,221
Jan.-Sept. 1965	18,338	1,136

2. The (a) quantity (b) dollar value, of cheese exported to the United States in each of the years 1962, 1963, 1964, and January to November 1965 (latest figures available) was:

	(a) Quantity Cwt.	(b) Value $'000
1962	5,662	312
1963	5,842	333
1964	7,312	396
Jan.-Nov. 1965	5,453	273

3. Imports of Canadian cheddar cheese into the United States are subject to quota restrictions.

4. The United States has an annual global import quota for cheddar cheese amounting to 2,780,000 pounds. Canadian participation in this quota is approximately 614,000 pounds at the present time.

5. The present quota restrictions were imposed in 1953 under Section 22 of the United States Agricultural Adjustment Act. Up until 1964, Canadian participation was approximately 514,000 pounds. However, during that year, through a revision of import licensing procedure, Canadian participation was increased to about 614,000 pounds.

6. Formal representations have been made to the United States on several occasions, the latest in September 1964. We have continued to press the matter in the GATT and within meetings of the U.S.-Canada joint committee on trade and economic affairs, as well as through our embassy in Washington. The increased Canadian participation referred to in No. 5 is largely a result of these representations.

[Mr. Bell (Carleton).]

CERTIFICATES BY INDUSTRY MINISTER UNDER INCOME TAX ACT

Question No. 596—**Mr. MacInnis (Cape Breton South):**

1. How many certificates have been issued by the Minister of Industry under the provisions of section 71 (a) (6) of the Income Tax Act?

2. What is the name of each company to whom a certificate has been issued?

3. What is the nature of the new manufacturing or processing business being carried on by each such company, and what is the description of the designated area in which each such manufacturing or processing business is being carried on?

Hon. C. M. Drury (Minister of Industry): 1. Seventy-one certificates establishing the date of commencement of commercial production of new businesses in designated areas have been issued. Four of these businesses have now been in commercial production for a minimum of one year and have been issued certificates granting exemption from income tax for one year under section 71(a)(6) of the Income Tax Act.

2 and 3. The names of the four companies and the nature and locations of the businesses are: (a) J. J. C. Electric (Canada) Limited Manufacture of control panels for automated equipment Windsor designated area; (b) Daal Specialties Limited Manufacture of automotive accessories Windsor designated area; (c) Compo Records (Ontario) Limited Stamping of phonograph records Cornwall designated area; (d) Massey-Ferguson Brantford Limited Assembly of combine harvesters Brantford designated area.

*PAYMENT TO MACLAREN ADVERTISING, TORONTO

Question No. 597—**Mr. Irvine:**

Was the amount of $151,510 paid to MacLaren Advertising, Toronto, as set forth in answer to Question No. 49 (2) and printed in *Hansard* on February 2, 1966, paid as a fee or as a commission?

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): The details of the $151,510.00 gross fee of the MacLaren Advertising Company Limited are: Fees for services paid by the Department of National Health and Welfare, $7,500; Commission earned from news media, design and production, and distributing agencies, $144,010.

GOVERNMENT PRINTING BUREAU—
DON MATHESON

Question No. 598—**Mr. Irvine:**

1. In what capacity is Mr. Don Matheson employed in the Canadian government printing bureau?

2. When was he first employed by the bureau?

3. Was he appointed and, if so, by whom and on what date?

Hon. C. M. Drury (Minister of Industry): 1. A Mr. Donald Alexander Matheson is employed in the Canadian government printing bureau, in the capacity of a linotype operator.

2. June 8, 1959.

3. He was appointed by the Civil Service Commission on June 8, 1959, when a vacancy became available and when his name was reached on the eligible list established as a result of competition 59-574.

GOVERNMENT PRINTING BUREAU—
ED PHILLIPS

Question No. 599—**Mr. Irvine:**

1. In what capacity is Mr. Ed Phillips employed in the Canadian government printing bureau?

2. When was he first employed by the bureau?

3. Was he appointed and, if so by whom and on what date?

Hon. C. M. Drury (Minister of Industry): 1. A Mr. Joseph Arthur Albert Edward Phillips is employed in the Canadian government printing bureau, in the capacity of foreman of the evening shift.

2. May 17, 1954.

3. He was appointed by the Civil Service Commission on May 17, 1954, when a vacancy became available and when his name was reached on the eligible list established as a result of competition 53-645.

PRINTING BUREAU TYPESETTING
EQUIPMENT

Question No. 600—**Mr. Irvine:**

What is the detailed breakdown by which the figure of 57,000 man-hours was arrived at in answer to question No. 69 part 4 subsection (b)?

Hon. C. M. Drury (Minister of Industry): At the time of the feasibility study composition by computer conducted by the Canadian government printing bureau, the staff in the area in question numbered 80. The staff estimates under the proposed process was 52, a reduction of 28 man years, or 54,600 hours. The latter figure was increased and rounded off at 57,000 hours, to include approximately 5 per cent overtime.

BAN ON CANDY-COATED HEADACHE PILLS

Question No. 610—**Mrs. MacInnis (Vancouver-Kingsway):**

1. To the knowledge of the government, did the Consumers' Association of Canada, in 1965, demand the placing of a ban on the sale of flavored, candy-coated headache pills?

2. If so, has the government acted to order such a ban?

Hon. A. J. MacEachen (Minister of National Health and Welfare): 1. Yes.

2. No. This matter was referred to the Canadian drug advisory committee. This committee recommended that an ad hoc committee be appointed to study in depth the whole problem of poisonings by acetylsalicylic acid and products containing this drug and to make suitable recommendations in respect thereof. This ad hoc committee has now been appointed to study the matter.

EXCISE TAX ON JEWELLERY

Question No. 635—**Mr. Hales:**

1. What is the total of the 10 per cent excise tax collected in each of the years 1962, 1963, 1964 and 1965 on jewellery products?

2. Is the government now considering the removal of the excise tax?

Hon. Mitchell Sharp (Minister of Finance): 1. Fiscal Year 1961-62, $5.6 million; 1962-63, $5.8 million; 1963-64, $6.4 million; 1964-65, $6.9 million.

2. Representations that this tax be removed, as well as representations on a wide range of other tax subjects, are being studied during the preparation of the budget.

GRAIN MOVEMENT BY C.N.R. AND C.P.R.

Question No. 640—**Mr. Watson (Assiniboia):**

1. How many bushels of (a) wheat (b) oats (c) barley, have been shipped out of the port of Vancouver in each of the past five years?

2. How many cars of grain were shipped to the port of Vancouver by (a) C.P.R. (b) C.N.R., in each of the past five years?

3. How many bushels of (a) wheat (b) oats (c) barley, have been shipped out of the lakehead in each of the past five years?

4. How many cars of grain were shipped to the lakehead by (a) C.P.R. (b) C.N.R., in each of the past five years?

Questions

Hon. J. J. Greene (Minister of Agriculture):

1 and 3.

SHIPMENTS OF WHEAT, OATS AND BARLEY

Crop Year	Wheat	Oats	Barley	Total
		—bushels—		
(A) VANCOUVER—NEW WESTMINSTER				
1964-65	136,388,223	4,481,098	19,860,321	160,729,642
1963-64	154,010,211	13,587,920	28,163,089	195,761,220
1962-63	129,855,832	9,599,751	5,070,687	144,526,270
1961-62	145,745,978	1,504,970	13,071,131	160,322,079
1960-61	119,114,141	967,603	16,987,880	137,069,624
(B) FORT WILLIAM—PORT ARTHUR				
1964-65	277,781,570	43,699,052	47,999,158	369,479,780
1963-64	347,279,824	35,800,620	53,159,279	436,239,723
1962-63	201,818,648	37,752,212	34,842,221	274,413,081
1961-62	180,103,195	18,464,387	40,811,696	239,379,278
1960-61	217,207,658	32,767,389	59,293,666	309,268,713

2 and 4.

GRAIN CARLOT UNLOADS, BY RAILWAYS

	C.P.R.	C.N.R.[1]	Total
(A) VANCOUVER—NEW WESTMINSTER			
1964-65			
Wheat	41,144	29,840	70,984
Oats	710	607	1,317
Barley	4,812	2,884	7,696
Others	4,264	4,978	9,242
Total	50,930	38,309	89,239
1963-64			
Wheat	44,523	36,075	80,598
Oats	1,982	2,049	4,031
Barley	8,703	4,636	13,339
Others	4,138	4,498	8,636
Total	59,346	47,258	106,604
1962-63			
Wheat	37,738	33,292	71,030
Oats	1,341	1,579	2,920
Barley	1,407	863	2,270
Others	3,480	3,859	7,339
Total	43,966	39,593	83,559
1961-62			
Wheat	43,389	35,360	78,749
Oats	9	31	40
Barley	4,556	1,122	5,678
Others	3,868	4,077	7,945
Total	51,822	40,590	92,412
1960-61			
Wheat	36,432	27,824	64,256
Oats	59	51	110
Barley	6,001	1,282	7,283
Others	5,522	3,670	9,192
Total	48,014	32,827	80,841

GRAIN CARLOT UNLOADS, BY RAILWAYS—Concluded

	C.P.R.	C.N.R.[1]	Total
(B) FORT WILLIAM—PORT ARTHUR			
1964-65			
Wheat	80,659	62,345	143,004
Oats	7,260	8,230	15,490
Barley	10,354	11,229	21,583
Others	6,162	3,879	10,041
TOTAL	104,435	85,683	190,118
1963-64			
Wheat	94,424	87,534	181,958
Oats	4,778	6,172	10,950
Barley	9,929	13,454	23,383
Others	5,134	3,997	9,131
TOTAL	114,265	111,157	225,422
1962-63			
Wheat	56,917	46,135	103,052
Oats	6,996	7,970	14,966
Barley	8,087	10,160	18,247
Others	5,224	3,251	8,475
TOTAL	77,224	67,516	144,740
1961-62			
Wheat	54,799	43,360	98,159
Oats	2,576	3,465	6,041
Barley	7,349	10,084	17,433
Others	3,737	2,503	6,240
TOTAL	68,461	59,412	127,873
1960-61			
Wheat	64,579	49,963	114,542
Oats	5,021	7,047	12,068
Barley	13,135	16,106	29,241
Others	4,800	3,919	8,719
TOTAL	87,535	77,035	164,570

[1]Vancouver C.N.R.—includes cars loaded N.A.R. & P.G.E. lines.

Department of Agriculture,
Ottawa, February 21, 1966.

*COURT CASES RESPECTING RESALE PRICE MAINTENANCE

Question No. 645—**Mr. Starr:**

1. Are there any cases at present being held by the Department of Justice similar to the case in which a decision of the Supreme Court of Canada recently upheld the legality of the section of the Combines Investigation Act forbidding resale price maintenance?

2. If so (a) how many and for how long have they been outstanding (b) what action does the minister contemplate with respect to them?

Hon. Guy Favreau (President of the Privy Council): The answer to question No. 1 is no.

The answer to question No. 2 is as follows:

(a) There are four cases presently before the courts. In one case the trial has been held and judgment reserved pending the decision on the constitutional issue before the Supreme Court of Canada. In the remaining three cases the trials were postponed for the same reason. In these cases, counsel have been notified of the decision of the Supreme Court of Canada and instructed to take the necessary steps to bring them to trial. In cases where inquiries are being conducted by the director under the Combines Investigation Act, these have been proceeding in the normal manner.

(b) See 2(a).

Questions

APPLICATIONS FOR WINTER HOME CONSTRUCTION BONUS

Question No. 646—**Mr. Starr:**

1. How many applications were received for the $500 bonus under the winter home construction program during the present winter from the commencement date to January 31, 1966?

2. How many were there during the same period ending (a) January 31, 1965 (b) January 31, 1964?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): 1. Applications for certification of housing received numbered 31,194.

2. (a) Applications for certification of housing received numbered 31,881. (b) Applications for certification of housing received numbered 31,942.

LOANS FOR MULTI-PURPOSE AGRICULTURAL BUILDINGS

Question No. 653—**Mr. Pascoe:**

Is there a proposed program of long-term loans to exhibition companies for multi-purpose buildings for agricultural and community purposes and, if so (a) is the government intending to implement it (b) when will a decision in this regard be made?

Hon. J. J. Greene (Minister of Agriculture): This is a matter of government policy. Should a decision be taken to implement such a program, parliament will be informed in the usual manner.

CHURCHILL, MAN., ELEVATOR CAPACITY

Question No. 703—**Mr. Korchinski:**

What is the total capacity of the terminal elevators at Churchill?

Hon. J. J. Greene (Minister of Agriculture): 5,000,000 bushels.

*APPLICATION OF COMBINES LEGISLATION TO NATIONAL HOCKEY LEAGUE

Question No. 705—**Mr. Fulton:**

1. Does the government consider the field of professional sport to be outside the purview of the Combines Investigation Act?

2. If not, will the appropriate minister of the government refer to the director of investigation and research under the act, the question of whether the operations of the National Hockey League in Canada, especially with respect to its practices or rules which restrict the right to the extension of franchises to other Canadian cities, and related practices, are in contravention of any of the provisions of the Combines Investigation Act?

Hon. Guy Favreau (President of the Privy Council): 1. Yes. The director under the Combines Investigation Act takes the position that the field of professional sport is outside the purview of the act.

2. See 1.

[Mr. Favreau.]

*GOVERNMENT PRINTING BUREAU—MONEY LENDERS SYNDICATE

Question No. 708—**Mr. Irvine:**

With reference to question No. 330 answered on January 27, 1966, does there exist or has there existed in the past three years a "money lenders syndicate" other than Caisse Populaire and, if so, what are the names of the principals of any such organizations?

Hon. C. M. Drury (Minister of Industry): There are a number of Christmas funds organized and operated by several groups of employees of the Canadian government printing bureau to which employees make regular contributions throughout the year. Some of these do provide for loans to its members on request. At the end of the year, total contributions plus any interest earned is divided among the members. There are also a number of flower, gift and welfare funds. However, these types of mutually beneficial organizations are not considered as "money lenders syndicates" since their prime purpose is to encourage savings and also to avoid, in the case of flower and gift funds, the circulation of subscription lists among employees.

C.B.C. TELEVISION PROGRAM ON VIET NAM

Question No. 758—**Mr. Faulkner:**

1. Did Mr. John Powell and Mr. Hugh Campbell recently appear on a C.B.C. television program concerning Viet Nam?

2. If so, did either or both serve in Indochina and in what capacity did they serve?

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

2. (a) Mr. Campbell, then a squadron leader in the R.C.A.F., served from August, 1961 to January, 1963. Mr. Powell served from June, 1964 to June, 1965. (b) Squadron Leader Campbell served chiefly as an officer at various team sites in Viet Nam. Mr. Powell served as a registry and accounts clerk in the Canadian headquarters in Saigon.

*REQUEST FOR ESCALATOR CLAUSE IN SUPERANNUATION ACT

Question No. 761—**Mr. Knowles:**

1. Has the Prime Minister received a letter from the president of the federal superannuates' national association asking that the Public Service Superannuation Act be amended so as to provide therein an escalator clause similar to that contained in the Canada Pension Plan and in the Old Age Security Act?

2. If so, what reply has the Prime Minister made thereto?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the answer to the first part of the question is yes.

The answer to the second part is as follows. The principal substance of the letter from Mr. Buckler comprised a number of specific points concerning pension provisions affecting public servants of other countries, the management of the public service superannuation fund, the relationship between the superannuation scheme and the Canada Pension Plan and between the funds associated with those plans, and my reply was intended to provide clarification on these matters.

QUESTIONS PASSED AS ORDERS FOR RETURNS

APPOINTMENTS BY ORDER IN COUNCIL TO MINISTERIAL STAFFS

Question No. 116—**Mr. Ormiston:**

What are the names, classifications, salaries and locations of civil service personnel and personnel appointed by order in council at present on ministerial establishments or on the staff of ministers' offices who are not located in Ottawa?

Return tabled.

CANADIAN GOVERNMENT PRINTING BUREAU

Question No. 327—**Mr. Irvine:**

1. Has the Canadian Government Printing Bureau disposed of any equipment or material to direct purchasers since 1960, and (a) if so, what specific items were sold or disposed of and to what persons, firms or corporations in each instance (b) if any such equipment or material was disposed of, upon what date and for what price was each specific item so disposed of (c) if any such equipment or material was disposed of, were public tenders called, and in each instance was the highest tender or bid accepted (d) were any items of equipment or material sold or otherwise disposed of by the printing bureau directly to Mr. A. R. Gentile (e) if any such items were disposed of to Mr. A. R. Gentile, upon what date and for what price was each specific item so disposed of?

2. Has the printing bureau disposed of any equipment or material to Crown Assets Disposal Corporation since 1960 and (a) if so, what specific items (b) if any such item was disposed of, upon what date and for what price was each specific item disposed of?

3. Has any investigation or inquiry been instigated or made by the printing bureau into the circumstances surrounding any dealings or transactions or wrongful conduct?

4. Is or was Mr. A. R. Gentile an employee of the printing bureau, and (a) if so, when was he hired, what was his salary, and what position did or does he hold (b) if he no longer is an employee of the printing bureau, what was his date of separation and for what reason?

5. Is Mr. A. R. Gentile in receipt of a pension for service in government employment and, if so, how much?

6. Is or was Mr. A. R. Gentile, or the firm or firms he represents, engaged in providing printing services for the government, or any departments thereof?

7. On what date was Mr. A. R. Gentile's name or that of his firm or firms placed on the list of printers eligible for the request or supply of government printing requirements?

8. By what firm or firms were the lists of electors for the electoral district of Carleton printed?

9. If by more than one firm, what number of lists was printed by each firm?

10. What was the total amount paid to each such firm for such printing?

11. What person recommended each such firm to the Returning Officer for the electoral district of Carleton to be retained for the printing of such lists?

Return tabled.

[*Translation*]

Question No. 602—**Mr. Neveu:**

1. Is there a federal agency which is engaged in the supervision of large-scale projects, carried out jointly with the provincial government?

2. Under the Winter Works Program of 1966, what projects have been accepted for Shefford county?

3. What is the cost of these projects?

Return tabled.

MOTIONS FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, notice of motion No. 71 is acceptable to the government. I ask that the remaining notices of motions stand.

[*English*]

EMPLOYMENT SERVICE—DISCRIMINATORY JOB ORDERS

Motion No. 71—**Mr. Orlikow:**

That an order of the house do issue for copies of any directive issued in the past two years by the National Employment Service or the Department of Labour to its staff directing them to refer discriminatory job orders to appropriate government departments and commissions—federal or provincial—for appropriate action in order to carry out the directives included in the legislation which prohibits the National Employment Service from filling discriminatory job orders.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I might say that I am informed that there were no such directives issued by the National Employment Service or by the department, and a nil return will have to be the answer.

Mr. Speaker: Is this notice of motion dropped?

[*Later:*]

Mr. Speaker: Is the parliamentary secretary calling motion No. 71?

Mr. Béchard: Yes, Mr. Speaker.

Mr. Nicholson: As I said earlier, Mr. Speaker, the return in this case would have to be a nil return as there have been no such directives. If the hon. member does not wish to withdraw the motion we will have to file such a return.

Mr. Speaker: Does the hon. member consent to the withdrawal of this motion?

Mr. Orlikow: Mr. Speaker, if the minister is stating that the national employment service has not issued any such directives during this period of time to its employees, then I am content to withdraw the motion and discuss the matter when we reach consideration of the appropriate estimates. The minister has given exactly that information I wanted.

Mr. Speaker: Is it the pleasure of the house to allow the motion to be withdrawn?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

TRANSFER OF SASKAIR LTD.

Motion No. 92—**Mr. Douglas:**

That an order of the house do issue for a copy of any correspondence or documents relating to the transfer of Saskair Limited to Norcanair Limited, Prince Albert, Saskatchewan.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I wonder whether the hon. gentleman would be agreeable to having this material tabled except for those documents which disclose the financial condition of one of the companies concerned, as that material has always been regarded as confidential.

Mr. Douglas: That is satisfactory.

Mr. Speaker: There will be an order for the production of these documents subject to the reservations and limitation specified by the hon. member.

Motion agreed to.

ASSISTANCE TO PRINCE ALBERT PULP CO.

Motion No. 93—**Mr. Douglas:**

That an order of the house do issue for a copy of all correspondence and other documents relating to any request to grant financial assistance to the Prince Albert Pulp Company Limited under the terms of the Area Development Incentives Act.

[Mr. Speaker.]

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I understand the hon. gentleman is agreeable to excepting from this motion documents emanating from the provincial government, with the exception of those in respect of which the government gives consent, as well as documents or correspondence the publication of which would likely cause damage to the competitive position of the company. However, with those two exceptions the motion is accepted.

Mr. Douglas: That is acceptable.

Mr. Speaker: Subject to the reservations and limitations specified by the minister is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

HEALTH AND WELFARE

MEDICARE—APPLICATION OF FEDERAL PLAN TO PROVINCIAL PLANS

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address my question to the right hon. Prime Minister, asking him whether, in view of the voluntary medicare plans approved by a number of provinces including Ontario and Alberta, the proposed compulsory medicare plan of the federal government can be made applicable to the voluntary plans of these provinces?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have nothing to add to what has been said about this matter. We propose to proceed with our negotiations with the provinces on the basis of the compulsory medicare scheme.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I have a supplementary question. Can the Prime Minister proceed with a plan if the provinces of Quebec and Ontario do not participate because it is so different from theirs it cannot be implemented?

Mr. Speaker: Order, please. I suggest to the hon. member that his question is out of order.

CANADA LABOUR CODE

ONTARIO—DEFERMENT APPLICATION BY AUTOMOTIVE TRANSPORT ASSOCIATION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to direct my

question to the Minister of Labour. In view of the widespread concern over the trucking strike in Ontario, and in view of the fact that a clarification with respect to part I of the Canada Labour (Standards) Code having to do with hours of work in the trucking industry might result in a settlement, I should like to ask the minister whether he would be prepared as soon as possible to make a statement about his decision regarding the application for a deferment under part I by the automotive transport association.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I will be glad to give the suggestion consideration.

Mr. David Orlikow (Winnipeg North): I have a supplementary question, Mr. Speaker. In view of the fact that one of the major points of dispute relates to the increasing numbers of owner-operators in the trucking industry, I should like to ask the minister whether he will consider an early amendment to the Canada Labour (Standards) Code to include owner-operators under the provisions of that act.

Mr. Speaker: Order, please. It seems to me that the hon. member is now asking a question of a very general nature which should not be asked at this time.

CANADIAN CENTENNIAL

INQUIRY AS TO CO-ORDINATION OF EXHIBITIONS

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I have a question for the Minister of Trade and Commerce. Will the minister inform us as to whether any plans are being made to co-ordinate such Canadian exhibitions as the Calgary stampede, the Pacific National Exhibition and the Canadian National exhibition with Expo '67 programs as they relate to the over-all picture of the country in the centennial year?

Mr. Speaker: That is a very interesting and important question which the hon. member may wish to place on the order paper.

COMBINES

EXTENSION OF LEGISLATION TO COVER PROFESSIONAL SPORTS

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, in light of the reply given by the President of the Privy Council to starred question 705 to the effect that the government considers the operations of the National Hockey League to be outside the purview of the Combines Investigation Act, and in light of the size and scope of the operations of this organization and the interest of the people of Canada in it; and having in mind the obvious restrictive effects of present arrangements as to the extension of franchises and other related matters, will the government give immediate consideration to amending the act so as to bring such operations within its scope in the interests of the people of Canada?

Hon. Guy Favreau (President of the Privy Council): Mr. Speaker, the hon. gentleman will remember the remarks he made before a parliamentary committee in relation to the fact that services are not presently covered by the Combines Investigation Act. However, I am pleased to advise him—and I do not want to refer to the National Hockey League or any other specific organization—that in relation to any service, the question as to whether and to what extent services may be included within the ambit of the act is presently under consideration.

Mr. Fulton: I have a supplementary question. Whatever may have been said in the past does not seem to me to apply now; but in respect of the question as to whether services were exempted—and I am not entering into an argument on that situation—surely the minister does not feel we have to go into the whole matter of whether a sport in this sense is a service. Does the minister not rather feel—

Mr. Speaker: Order, please. It seems to me that the hon. member now is submitting an argument rather than asking a question. I would suggest that he ask his question at this stage.

Mr. Fulton: Yes, Mr. Speaker, I admit I was establishing a precedent on which I shall not elaborate. Will the minister consider the question as to whether sports and operations of this size and nature do fall within the descriptive word "services"?

Mr. Speaker: Order, please. The hon. member is now asking for a legal opinion or interpretation of a statute and I suggest this cannot be done at this time.

Mr. Ron Basford (Vancouver-Burrard): I have a supplementary question, Mr. Speaker. In view of the fact that I have filed a bill to amend the Combines Investigation Act to bring professional sports within the ambit of

that act, will the minister consider giving the bill government support at the first reading stage?

Mr. Speaker: Order, please.

[*Translation*]

ADMINISTRATION OF JUSTICE

MONTREAL—INVESTIGATION INTO DEATH OF LAWYER

On the orders of the day:

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, my question concerns three ministers. It concerns the President of the Privy Council with regard to bankruptcies, and the Solicitor General with regard to the R.C.M.P., but I shall put my question to the Minister of Justice.

Could the Minister of Justice tell us if he intends to have a special inquiry made into the circumstances surrounding the death of François Payette, Montreal barrister and bankruptcy expert, who was murdered and whose body was found frozen in his car last night. We know barrister François Payette recently took part in an inquiry into bankruptcies.

Mr. Speaker: Order. The hon. member is not putting a question but rather submitting an allegation. His question is out of order.

Mr. Vincent: Mr. Speaker, may I word my question differently?

[*English*]

[*Later:*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Solicitor General who, I believe, is charged with responsibility in this field. Is it the intention of the Solicitor General to ask for a special investigation into the circumstances surrounding the death of one François Payette, in Montreal, whose death has just been announced?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker—

Mr. Speaker: It is very difficult, again, to know to what extent this question is urgent. A similar question was asked by the hon. member for Nicolet-Yamaska, and it was argued by hon. members yesterday that whenever there was a violent death it should be automatically an urgent question, I cannot agree with this. I suggest to the hon. member that in the way the question is framed now it is not acceptable.

[Mr. Basford.]

[*Translation*]

AGRICULTURE

MILK—REQUEST FOR INCREASED PAYMENTS TO PRODUCERS

On the orders of the day:

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, may I put a question to the Minister of Agriculture?

In view of the importance of maintaining the milk production of this country to satisfy the demand—there will likely be a shortage of 400 or 500 million pounds of milk in Canada this year—can the minister tell the house whether farmers can expect $4.00 per cwt. for all manufactured milk?

Mr. Speaker: This is a question of a very general nature which cannot be accepted at this time.

[*English*]

INQUIRY AS TO EMBARGO ON CATTLE SHIPMENTS FROM FRANCE

On the orders of the day:

Mr. J. N. Ormiston (Melville): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. I wonder if the minister could tell the house whether the government intends to place an embargo on the shipment of cattle into Canada from France due to the prevalence of foot and mouth disease in Europe?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, the importation of cattle, if it should take place, would not take place until the fall. My department is watching the situation carefully, and if there is any danger in the fall the importation of cattle would then, of course, be proscribed.

SEARCH AND RESCUE

NEWFOUNDLAND—LOSS OF TRAWLER "BLUE MIST II"

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, I wish to direct a question to the Minister of Transport. Would the minister please advise the house what action has been taken by his department in the search to locate the missing Newfoundland trawler *Blue Mist II* and her crew of 13, 12 of whom I understand are family men.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, this tragic situation which has affected particularly the constituency of my hon. friend for Burin-Burgeo (Mr. Carter) has been the occasion of a very careful, detailed and extensive search and

rescue operation by the coast guard ships *John A. Macdonald* and *Montcalm*, the fisheries patrol vessel *Cape Freels*, four trawlers belonging to the same company as the missing ship and seven R.C.A.F. aircraft. As of this morning 16,700 square miles had been covered by aircraft. There has been no sign of survivors. It does appear that three of the dories have turned up, unfortunately without any survivors in them.

INDUSTRY

AUTOMOBILES—INCREASE IN IMPORTS FROM U.S. DURING JANUARY

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I wish to direct a question to the Minister of Industry. Can the minister provide the house with information showing the increase, if any, in the value of imports of automobile parts and automobiles from the United States during the month of January, 1966?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, those statistics are not yet ready—

Mr. Speaker: Order, please. I have the impression that this is a question which is not so urgent that it should be answered at this time. The hon. member may wish to place it on the order paper.

Mr. Nesbitt: On a point of order and with great respect to Your Honour, I would agree with Your Honour that in ordinary circumstances information of this type should not be sought in the house on orders of the day.

However, in view of the fact that the whole question of the automobile parts treaty is a very current one, and the minister's estimates will be before the house very shortly, and further due to the fact that it is the general desire of the government and I think of everyone to have the study of the estimates completed very shortly, the question was asked because I feel it would greatly expedite the passage of the estimates of the minister's department if we had this information.

Mr. Speaker: Order, please. I suggest to the hon. member that if the estimates are to be considered by the house very shortly, that might be the time to ask the question of the minister.

THE CANADIAN ECONOMY

SUGGESTED STEP TO PROVIDE GUARANTEED ANNUAL INCOME

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. In the preparation of his budget is the minister looking at the negative income tax as one means of providing a guaranteed annual income?

Mr. Speaker: Order, please. This is not a proper question at this time and should not be received. The hon. member may wish to place it on the order paper or discuss it at a later hour.

NATIONAL CAPITAL COMMISSION

PUBLICITY PROMOTION IN CONNECTION WITH CENTENNIAL

On the orders of the day:

Mr. Jim McNulty (Lincoln): Mr. Speaker, I have a question for the Minister of Public Works concerning the National Captial Commission and publicity for our nation's capital as Canada approaches its centennial. Will the minister inform the house whether the National Capital Commission intends to promote the capital across the nation? If so, how and how soon?

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

POST OFFICE DEPARTMENT

VICTORIA, B.C.—REQUEST FOR SPECIAL CANCELLATION STAMP

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I have a question for the Postmaster General. In order to promote tourism at a time when it is winter in the rest of Canada and spring in Victoria, British Columbia, would the Postmaster General give consideration to the request of the Victoria Chamber of Commerce to have our post office use the cancelling stamp "Spring Comes First To Victoria" prior to the Victoria spring flower festival commencing April 2?

Mr. Speaker: Order, please.

BUSINESS OF THE HOUSE

CHANGE IN HOUR OF MEETING ON FEBRUARY 24

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to address a question to the government house leader and ask what arrangements have been made with regard to the time of sitting of the house tomorrow, and in respect of the standing committees which are scheduled to meet tomorrow morning?

Inquiries of the Ministry

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, in view of the fact that the government aircraft that is being provided tomorrow will arrive back in this city at 1.15 p.m., perhaps it would be agreeable that the house meet at three o'clock. If this is agreeable to all hon. members we could have it made an order of the house.

As for the meetings of the standing committees, I would be very glad to discuss that matter with the chairmen of the committees and perhaps something could be arranged so that most of them would not sit until either later in the day or the next day.

Mr. Speaker: Is it an order of the house that this house meet tomorrow afternoon at three o'clock?

Some hon. Members: Agreed.

OLD AGE SECURITY

CONSIDERATION OF INCREASE IN AMOUNT OF PENSION

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the right hon. Prime Minister. I wonder if he can inform the house whether any decision has been reached with regard to an increase in old age pensions, or whether any alternate arrangement has been reached with the provinces.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this matter is still under consideration.

CROP INSURANCE

INQUIRY AS TO EXTENSION OF PROGRAM

On the orders of the day:

Mr. R. E. McKinley (Huron): Mr. Speaker, I have a question for the Minister of Agriculture. In view of the minister's statement last night on the outcome of the meeting last Thursday with the provinces, in which he said that Ontario and Quebec are in favour of a program to insure feed grain crops and dairy herds, and since the federal government pays 50 per cent of the administration of these programs, would the minister say whether he is in agreement with the provinces or whether he believes there should also be a government insurance program for cash crops?

Mr. Speaker: Order, please. This question asks for a statement of policy, which I do not think should be given at this time.

[Mr. Starr.]

DRUGS

INQUIRY AS TO PERSONNEL OF SPECIAL COMMITTEE

On the orders of the day:

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, my question is to the government house leader, but since he has been called away he may wish to take it as notice. As the special committee on food and drugs was constituted 10 days ago, can he say how soon members will be named to that committee?

Hon. L. T. Pennell (Solicitor General): I will take the question as notice, Mr. Speaker.

HIGHWAY SAFETY

REQUEST FOR ASSISTANCE OF PRESIDENT OF CHRYSLER CORPORATION

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have another question for the Minister of Industry. Will the minister consider seeking for the Department of Industry the services of Mr. Ronald Todgham, president of Chrysler Corporation of Canada, with respect to obtaining advice on automotive safety devices?

Mr. Speaker: This question should be placed on the order paper, if it is in order.

WAR ON POVERTY

INQUIRY AS TO ACTION PROPOSED BY GOVERNMENT

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, my question is to the Prime Minister. In view of the statement made by the executive director of the Canadian Welfare Council that because of the lack of massive federal programs to wage the urgent war on povety Canadians are shouting "phony war", would the Prime Minister indicate what immediate steps are planned to convert the phony war into a real one?

Mr. Speaker: Order, please. The hon. member is not putting a question that can be asked in this form at this time. She is making allegations, and I suggest to the hon. member that the question cannot be put in the form in which it has just been submitted.

CANADA DEVELOPMENT CORPORATION

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): I have a question for the Minister of Finance which relates to the Canada Development Corporation. In view of the growing concern on the part of many in Canada in relation to this proposed legislation and the failure of the government to accede to requests that it be included in the program, can the minister tell us what the government's plans are in so far as introducing this legislation is concerned?

Hon. Mitchell Sharp (Minister of Finance): The government has been quite forthright in its attitude. The Canada Development Corporation was included in the Speech from the Throne and on a number of occasions I have stated it is a part of our program. We will proceed as soon as the opposition gives us an opportunity to proceed with legislation.

COMBINES

AGRICULTURE CHEMICAL INDUSTRY—INQUIRY AS TO POSSIBLE PROSECUTION

On the orders of the day:

Mr. E. R. Schreyer (Springfield): Mr. Speaker, my question is for the Minister of Justice or the President of the Privy Council, whoever is in charge of this matter. According to the last report of the restrictive trade practices commission, the agriculture chemical industry appears to be guilty of gross irregularities in its pricing policy—

Mr. Speaker: Order, please.

Mr. Schreyer: My question is—

Mr. Speaker: Order, please. The hon. member knows that he cannot preface his question in the way he is doing, that is by making an allegation. This is highly irregular.

Mr. Schreyer: With your permission I will rephrase the question and ask the minister if, as a result of the tabling of the last report of the restrictive trade practices commission, he is contemplating taking any action under the Combines Investigation Act against certain firms in the agriculture chemical industry.

Hon. Guy Favreau (President of the Privy Council): I first want to thank the hon. member for having given me notice of his intention to put this question. I may say that the report of the restrictive trade practices commission, together with the evidence that led to the report, are being referred to counsel to consider whether the evidence warrants proceedings.

PUBLIC WORKS

TORONTO—PLACING OF FILL IN LAKE ONTARIO

On the orders of the day:

Mr. Ralph Cowan (York-Humber): Mr. Speaker, I have a question for the Minister of Public Works. Has the minister made such an effort to legalize the fill in lake Ontario south of Long Branch, placed there in contravention of the Navigable Waters Protection Act, that the Ontario provincial government is now considering a revision of the Territorial Division Act—

Mr. Speaker: Order, please. This question is not in order and cannot be asked at this time.

HEALTH AND WELFARE

NANAIMO, B.C.—REPORTED INTENTION TO CLOSE HOSPITAL

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): My question, Mr. Speaker, is for the Minister of National Health and Welfare and arises from a letter I had from him today, for which I thank him, informing me of the intention to close the Nanaimo general hospital. My question is this. Before reaching that decision did the minister have an assurance from the B.C. hospital insurance services that adequate beds would be supplied in the regional general hospital to take up the slack?

Hon. A. J. MacEachen (Minister of National Health and Welfare): My understanding is that consultations with the British Columbia authorities revealed that adequate service could be provided in other hospitals in the area. There would be no reduction in service as a result of the proposed closing of the hospital.

Mr. Cameron (Nanaimo-Cowichan-The Islands): May I ask a supplementary question. Do I understand the minister had that assurance from the B. C. hospital insurance service?

Mr. MacEachen: That is my understanding, but I shall be glad to check the matter further and make doubly sure.

[*Translation*]

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I put a question to the Prime Minister? Does he intend to act upon the suggestion made recently by the Minister of Forestry (Mr. Sauvé) that out of the five main departments of the federal government, two should be headed by French Canadians?

Mr. Speaker: Order.

[*English*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to direct my question to the Prime Minister. Can he advise us of the order of the appearance of his colleagues on Pierre Berton's show so that we can ascertain the order of descent in respect of cabinet policy?

Mr. Speaker: Order, please.

Right Hon. L. B. Pearson (Prime Minister): If my hon. friend so desires, I am sure it would be easy for him to get an invitation.

Mr. Speaker: Order, please.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to put a question to the Prime Minister.

Since the newly appointed lieutenant governor of the province of Quebec is the former member for Lotbinière would the Prime Minister accept the tribute and the thanks of the people of Lotbinière?

[*English*]

Mr. R. Gordon L. Fairweather (Royal): May I ask a supplementary question. I wonder if I could ask the Prime Minister whether there is any significance in the fact that the new Lieutenant Governor of Quebec comes from Lotbinière, whose present member is a Republican?

• (3:30 p.m.)

SUPPLY

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

DEPARTMENT OF NATIONAL DEFENCE

15. Operation and maintenance and construction or acquisition of buildings, works, land and major equipment for the Royal Canadian Navy, the Canadian Army and the Royal Canadian Air Force and $1,850,000 for grants to the town of Oromocto, $1,382,244,000.

[Mr. MacEachen.]

Mr. MacInnis (Cape Breton South): I should like to ask the minister to explain a remark he made in answer to a question about Valcartier camp, and whether there was an artillery range there. I waited until I saw the report in *Hansard* before—

The Chairman: I apologize for interrupting the hon. member, but there is a little more noise than usual in the chamber and it is difficult for the Chair to hear what the hon. member is saying.

Mr. MacInnis (Cape Breton South): Can the minister explain his reference to the fact that the range at Valcartier is congested with unexploded shells, and practically no firing can be done? Since there is no artillery or mortar range there can he explain why unexploded shells are congesting that range and how they got there?

Mr. Hellyer: Well, I understand there is a variety of shells of various kinds going back the whole 50 years since the camp was in operation, and that they are pretty well concentrated in one major hill which exists in the present camp.

Mr. MacInnis (Cape Breton South): I am sorry, but I could not hear the reply the minister has given.

The Chairman: Would the Minister of National Defence repeat the answer which he gave to that question?

Mr. Hellyer: I am sorry, did the hon. gentleman not hear the answer?

Mr. MacInnis (Cape Breton South): No.

Mr. Hellyer: I said I understood there was a variety of shells, including mortar shells, going back for some years, all concentrated in one area, I think the Pinky Mountain area. It is a condition inside the camp which is extremely limited.

Mr. Crouse: Mr. Chairman, yesterday I directed a question to the minister, as reported at page 1608 of *Hansard*, relative to the signal station which is now located at Albro Lake in Dartmouth and its relocation in Mill Cove in Lunenburg County. The minister indicated that he would reply to the question I asked, and I wonder whether he is prepared to do so at this time.

Mr. Hellyer: Mr. Chairman, this transfer is taking place. Did my hon. friend have a specific question with respect to it—I have forgotten? It is being transferred from Albro Lake to Blandford, as he suggested.

Mr. Crouse: I realize this, Mr. Minister, but the question I posed yesterday was whether you could give me some indication of the amount that your department intends to spend in this area, the approximate date when construction will be completed, and when the final move will be made from Albro Lake to Mill Cove.

Mr. Hellyer: I am advised, Mr. Chairman, that the approximate date of the move will be in the fall of 1967, and the approximate cost is of the order of $3 million.

Mr. Orlikow: Mr. Chairman, we had some discussion last night about the directorate of information services, and I should like to explore a different facet of this question with the committee. A fairly extensive advertising campaign is carried on by the department in connection with recruiting. Could the minister tell the members of the committee how much money is allotted in the estimates to the recruitment program by way of advertising, where the money is spent, which advertising agencies have been given this very important task, and how are they picked?

Mr. Hellyer: Mr. Chairman, the figure for next year is of the order of $700,000 to $800,000. The advertising agency is Vickers and Benson, of Montreal and Toronto. This, I might say, is about the smallest advertising program for many years. The department's expenditures many years ago for recruiting ranged up as high as $2 million a year or more. The figure has now been very substantially reduced, perhaps to even a lower figure than it should be.

Mr. Orlikow: Could the minister tell the committee how the department picks the particular advertising agency? Does it call for tenders, does it ask agencies to submit ideas or programs? If so, how many agencies were contacted, or is this a particular agency with some special merit? If so, what is this special merit?

Mr. Hellyer: Mr. Chairman, the department did place its advertising a year or two ago through, I think, four different agencies. At the time we introduced the bill in the house which embarked us upon the integration program, and subsequently, it was considered advisable to concentrate all of the advertising program in one agency. This was (a) because the amount involved was relatively small, and (b) because it would enable the agency to do more research and to provide better service at lower cost than would be the case with a multiplicity of agencies.

At the time some thought was given to the selection of agencies. I was advised that Vickers and Benson was an aggressive, dynamic agency, one of the better agencies in the country, and therefore that firm was selected by the department for this particular task.

Item agreed to.

The Chairman: Order. This completes the estimates of the Department of National Defence.

The committee will now proceed to the estimates of the Department of Justice.

Mr. Hellyer: Mr. Chairman, before you start on the estimates of the Department of Justice I wonder whether I might express, on behalf of the associate minister and myself, our appreciation to the committee for the courtesy and co-operation which we have received during the study of these estimates.

Mr. Fairweather: Perhaps I might invite the minister to splice the mainbrace.

An hon. Member: No navy left.

DEPARTMENT OF JUSTICE

Legal and other services—

1. Administration, including the office of the superintendent of bankruptcy, grants and contributions as detailed in the estimates, gratuities to the widows or such dependents as may be approved by treasury board of judges who die while in office and authority to make recoverable advances for the administration of justice on behalf of the governments of the Northwest Territories and the Yukon Territory, $2,504,300.

The Chairman: Order. Estimates of the Department of Justice, vote No. 1.

Mr. Cardin: Mr. Chairman, in introducing the 1965-66 estimates I am well aware that members of the house are most anxious to debate certain specific questions relating to the Department of Justice, and I welcome the opportunity of stating my position on these matters. As was previously agreed upon, the Prime Minister will make a statement on the Spencer case as soon as I have finished a very short introductory statement. Although I propose to make a more complete statement in introducing the 1966-67 estimates, I wish to make a short statement concerning the division of responsibilities within the Department of Justice.

Important changes made in any long standing organization such as the Department of Justice give rise almost automatically to criticisms and complaints, particularly if the

changes themselves and the reasons that compelled them have not been sufficiently explained. This is what I propose to do now very briefly.

In essence, these changes are designed to enable the Department of Justice to concentrate its full resources on those problems and tasks which, by the terms of the Department of Justice Act, 1868, were intended to fall within its purview. While the character of the department has not undergone any significant change since it came into being nearly a hundred years ago, the addition of other responsibilities—some closely related to its basic functions, others not so readily identifiable—has made it increasingly difficult for the Minister of Justice and Attorney General of Canada to perform his important duty as the principal law officer of the Crown.

This may have been the inevitable result of administrative and other pressures during the evolutionary period in our history as a nation, but I am convinced the time has come to take stock and redefine the functions of the department in relation to contemporary needs.

Over the years, the Department of Justice has been assigned responsibility for a variety of functions and services—among them combines investigation, the supervision of trustees in bankruptcy, the Canadian Penitentiary Service and the National Parole Board—which are not directly related to the fundamental duties of the law officers of the Crown. As hon. members know, the principal responsibilities of law officers of the Crown are to advise and assist in the preparation of new legislation, to provide such guidance on constitutional matters and questions of law as the governor in council and senior members of the public service may require to enable them to discharge their responsibilities, to undertake periodic revision of the statutes and to initiate such legal actions as may be in the public interest.

• (3:40 p.m.)

The very considerable administrative responsibilities associated with those other additional functions I have described have tended to involve the Minister of Justice and the legal officers of his department to such an extent that it has not been possible for them to devote as much time to their primary tasks as would have been, and is now, desirable. In addition, these changing times and the urgent need to maintain respect for law as the keystone of a democratic society require some rethinking of the practices and procedures of the Department of Justice, to ensure that in carrying out its basic tasks the department is keeping pace with new developments in our economic and social structure and in the international environment in which Canada must play its part.

As an example, revision of the statutes on a regular basis is essential to good administration and the public welfare generally. In the past, whenever a general review of the main body of our statute law has seemed desirable or necessary, this was accomplished outside the department at very high costs and the results at times left something to be desired. More recently ad hoc committees within the department dealt with the revision. Having regard to the heavy demands on the resources of the department, this method of revising the statutes has usually meant that legal officers whose services were urgently needed in other areas, had to be separated from their regular duties for lengthy periods. Such a revision of the statutes is now in progress and, as hon. members will appreciate, this is a demanding task. It is my hope, indeed it is my intention, that when the organization of the Department of Justice has been agreed upon a special division will be established within the department to hold a watching brief on all matters affecting the codification and revision of the statutes. This will ensure that the laws of Canada, reflecting the intent of parliament, are at all times consonant with the needs they were designed to meet. While there might have been some logic in the identification of responsibilities associated with the maintenance of good business practices with the Department of Justice in the past—an example would be the combines investigation branch as it now exists—these functions are, in fact, a part of the investigative and protective processes of public administration, and their transfer to other departments, while easing the work load within justice itself, will not prejudice or in any way interfere with the responsibility of the Minister of Justice to take such action as the results of these investigative and protective undertakings may require.

In respect of the prospect that our country may experience to an increasingly alarming degree the effects of the insidious spread of organized crime throughout North America—including the urgent problem of juvenile delinquency— and in the field of correctional services generally, there is need for a "new look" and greater co-ordination of effort than has been possible under the former departmental structure. Heretofore the responsible

minister has been obliged to expend his energies in endeavouring to discharge his primary duty as the principal law officer of the crown, while maintaining control of a number of associated agencies, each of vital importance in its own sphere of operation. I submit that the concentration of responsibility for law enforcement and correctional services in the proposed new department of the Solicitor General is both a logical and a practical development.

At the same time, the nation must have assurance that adequate recognition has been given to the urgent problem of organized crime, the increasing incidence of juvenile delinquency and the need for more intensive and specialized studies in the related fields of correctional services and penal reform. The assignment of these tasks to the Solicitor General, and the erection of a new department to administer these responsibilities, represents a practical and necessary step in this direction. I want to make it clear, beyond any possibility of doubt, that the Minister of Justice must and will remain solely responsible for determining whether, as the result of any investigation made by the Royal Canadian Mounted Police or other agency charged with regulatory or investigative responsibilities under the law, there is a case for prosecution and, in the event of a positive determination to that effect, for initiating the prosecution in all instances where this action lies within federal jurisdiction. To this extent the Minister of Justice and Attorney General of Canada will retain his traditional responsibility to ensure that the law is properly enforced. In fact, his position may be strengthened, to the benefit of the country, in that he will be able to devote his full attention to the important task of evaluating information supplied by the investigative agencies and deciding on appropriate courses of action.

Furthermore, the Minister of Justice will be freer to concentrate his efforts in trying to solve the increasingly difficult problem of drafting clearly and accurately the new and more complex legislation required by the economic, social and political evolution of a new and exciting century for Canada.

In this respect, it is my hope to be able to establish soon a separate division of the department to deal generally with legal research and law reform. I also propose for the sake of accuracy and clarity to take whatever steps are necessary to draft legislation in each of the two official languages in order to avoid the difficulty of interpreting translated law.

In order to remove from our statutes obsolete, inadequate and outdated laws and regulations as well as to keep up with the day to day activities of the department, not only was it necessary to reorganize the department as has been done, but the minister must be given parliamentary time to bring the required amendments before the house for enactment, and I sincerely hope that with the application of the new rules of the house this will be possible.

These briefly are some of the reasons behind the changed responsibilities in the Department of Justice. I want to assure hon. members that the decisions which have been taken are the result of an earnest desire on the part of the government to achieve purposes which, I am sure, will commend themselves to members of this house.

Mr. Woolliams: I wonder, Mr. Chairman, whether I might ask the minister a question, to clarify his opening remarks, and whether I might do so before the Prime Minister makes a statement. I take it that the estimates we are now discussing were the estimates based on the department as it existed before any suggested change. I take it that we shall be discussing the department as it existed prior to any suggested change made by the minister?

Mr. Cardin: No, Mr. Chairman. The different matters coming under the estimates will be discussed by the minister who has the responsibility now. For instance, matters under penitentiaries and correctional institutions will be discussed by the Solicitor General. Those having to do with combine investigations will be discussed by the President of the Privy Council. The rest of the estimates coming under the jurisdiction of the Minister of Justice I shall discuss.

Mr. Pearson: Mr. Chairman, I know that it is not usual for the Prime Minister to follow immediately after the minister in opening the discussion of the estimates of his department, but the circumstances of the situation are themselves not usual, and they arise out of a question which was addressed to the Minister of Justice toward the end of January, which he answered on January 31. The question was whether there should be a special inquiry, and whether the government would not institute a special inquiry into the circumstances of the dismissal of one Victor Spencer from the public service. The Minister of Justice

answered on January 31 at page 434 of *Hansard*. I quote the minister:

> Having studied all the facts of this case, I do not feel it is necessary or useful to initiate a judicial inquiry into this matter. The procedures that have been followed by the R.C.M.P. are exactly the same procedures that were followed when my right hon. friend was in the government.

• (3:50 p.m.)

I was asked at that time by, I believe, the right hon. Leader of the Opposition and certainly by the hon. member for Burnaby-Coquitlam whether I would not re-examine this matter myself and give further consideration to it. I said at that time that when a request of that kind is made I will always do my best to accede to it. So I did.

I have examined this situation personally. I have studied all the reports, all the documents concerning this case. I have spent a good many hours, Mr. Chairman, in doing so, because I know that the issues involved are important and I know that they have aroused very real uneasiness in the minds of hon. members. Not only did I study the details of this case and discuss them again with my ministerial colleagues who were more particularly concerned, but I examined other security cases in the last ten years which might throw some light on the justifiability or otherwise of the procedure followed in this instance—certain cases which were of very direct and immediate concern to the government of the day, which was the government preceding this government. As a result of this study and these considerations I wish to confirm the view which has been given by the Minister of Justice that an inquiry into this matter is not necessary and would not be useful.

I should like to put before the committee very briefly the considerations which led me to this conclusion—in so far as I can do so without any violation of security—and I think this is quite possible in the present case.

In the first place, Mr. Spencer himself has admitted, voluntarily admitted, improper activities which in the view of the government made his dismissal from the Civil Service of Canada not only desirable but necessary. In this dismissal for misconduct, which was carried out pursuant to the Public Service Superannuation Act and to section 50 of the Civil Service Act, Mr. Spencer was in my view treated fairly. The fact that he personally has neither complained nor asked for any inquiry is, I believe, evidence of this fact.

[Mr. Pearson.]

In the second place it was Mr. Spencer himself who disclosed his identity as one of those referred to anonymously in the press release of last May dealing with certain espionage activities which resulted in the expulsion from this country of two intelligence officers of a foreign power. Mr. Spencer himself was never mentioned by name in this release or by any spokesman of the government. But he mentioned himself by name subsequently to the press.

Mr. Spencer was dismissed by virtue of a provision of the present Civil Service Act which was passed, I believe, in 1962—a provision which is essentially in the same form as that contained in the earlier act and under which security cases have been dealt with in the past by governments of this country, and under which they are expected to be dealt with in the future. That is section 50. There is no appeal against decisions made under this section of the act, as it was included in the Civil Service Act when it was passed after very careful examination by this house and by a committee of this house.

However, before a final decision was taken to dismiss Mr. Spencer he was given a hearing by a senior official of the Civil Service Commission, at which he had every opportunity to state his case. Neither at this hearing with a member of the Civil Service Commission present—and the Civil Service Commission has an interest in the protection of the rights of civil servants; this is the main responsibility of the commission—neither at this hearing nor at those held by Canadian security officers earlier did Mr. Spencer make any complaint over his dismissal or prospective dismissal, or any complaint about the treatment he had received.

The law officers of the Crown had advised against instituting criminal proceedings against Mr. Spencer and proceedings were not taken. The primary purpose of the investigations in which Mr. Spencer himself was involved—and he was certainly only one of the persons involved in those investigations—was to identify, if possible, and remove a threat to the national security. In this respect, and in the removal of this threat, important and successful results were achieved. Evidence which made this possible was secured by security procedures which were normal, but which would make much of the evidence inadmissable in a court of law. If these procedures could not be used in this way in appropriate circumstances, or if all the details arising out of them must be made public, and

names made public, then the protection of our national security against subversive action would be greatly prejudiced if not made impossible.

The surveillance which has been exercised over Mr. Spencer in his own interest as well as in the public interest has been adapted to the requirements of this particular situation. After the study I have made of the evidence, and the discussions I have had—and I have taken this matter as seriously as I take any matter—I believe Mr. Spencer's dismissal and his loss of pension rights under the law was lawful and just. I do not believe his rights as a person or as a citizen have been violated. On the contrary, I believe he has been treated with scrupulous fairness.

Mr. Woolliams: We have had two reports this afternoon, one from the Minister of Justice and another from the Prime Minister. For the next few moments I intend to direct a few remarks to the report just made by the Prime Minister and to the Spencer case.

Since I may be somewhat critical, I would ask hon. members on the other side of the house to bear with me—I was advised only a short time ago that I would be asked to speak in reply to the statement which the right hon. gentleman has made affecting this nation and the rights of individuals. I mention this in passing because our leader, my right hon. friend from Prince Albert, is unavoidably absent today for reasons well known to the Prime Minister and members of his cabinet. It was the Leader of the Opposition who had been putting the questions and who had been most interested in the matter of civil rights so far as Spencer was concerned.

• (4:00 p.m.)

In starting out it might be well for me to review the *Hansard* record of May 11, 1965. On that day the Prime Minister gave a report to the House of Commons with respect to two members of the U.S.S.R. embassy who had been asked to leave this country for espionage reasons, and stated that certain members of the civil and public service had been connected with the affair. It might be interesting to put on record just what was said by the Prime Minister, and by the Leader of the Opposition who made our position very clear. At that time we asked for an inquiry. Today the Prime Minister has said that Mr. Spencer has been removed from the civil service, has been dismissed from his job and will not get his pension, and he feels in his opinion Spencer has been treated very justly and fairly because he did have a hearing before the Civil Service Commission, or before the body which deals with those matters.

At the outset I would point out Spencer never did have any hearing. He was never charged with any violation of the laws of Canada. He has never been charged with any offence and has not been found guilty of an offence. He has never been given a fair and just hearing so far as the courts of law are concerned. I am sure, Mr. Chairman, you will agree with that any hearing he may have had with respect to his employment, or with respect to the civil service, is an entirely different kind of hearing from what he might have received if he had been charged with an offence and was found innocent or guilty. The fact is that this man has not been charged with any offence, and in that way I say there has been a miscarriage of justice.

I am sure in some respect all of us are in sympathy with the government in dealing with matters relating to the security of the state and in dealing with spy cases. This is not the first such case and probably will not be the last, but it is always difficult for the government to handle a matter such as this.

Now, let us see what the Prime Minister said on May 11 last year:

> The information on which action was taken in this matter came to the security authorities not only from one of the Canadians approached, but also from other sources which I am sure the house will understand must be protected if our counter-espionage efforts are to continue to be successful, as they were in this instance. On security grounds it is not, therefore, in the public interest to give all the detailed information requested in the house yesterday.

I am in full accord with that. It is difficult in these cases to give that information. It probably should not be given at any stage, at this stage particularly, but that does not say we should not have had an inquiry in camera, a judicial inquiry or a royal commission which could have been held in camera to look into the situation to see if this individual's rights were usurped. After all, he has not been charged with any crime. He has not been brought before any court, judged by any judge or jury, and yet he is still under surveillance. What does surveillance mean? I took the time to look up the definition.

Surveillance may mean the same as the Supreme Court of Canada laid down in the famous Sankey case when it was dealing with the questioning of an accused by police officers as to the admissibility of statements made by accused persons to police officers, and the

matter of whether he was under custody or not. Surveillance means, in the Oxford dictionary, supervision, close observation, investigation, not trusted to work or go about unwatched.

Today the Prime Minister said that the reason for refusing a hearing of any kind was to protect the individual himself. I might ask, how long will this surveillance go on? In that regard we have some sympathy with the government in reference to matters of security.

On May 11 last year the Prime Minister also said:

> In regard to the two individual cases mentioned in the press release, one Canadian mentioned cooperated conscientiously from the beginning with our security authorities. Far from being motivated by "illicit gain and greed", this conscientious and patriotic Canadian reported to our security authorities the very first approach made to him; and this information is not usually made public.

Well, if this is the conscientious and patriotic Canadian, he has now been fired from the public service of this country and has his pension cut off.

> In the other case mentioned in the communiqué the circumstances unfortunately were different. The person involved in this case is a civil servant in a very junior position in an non-sensitive department. His place of work is not in Ottawa. The person is at present on sick leave and is in fact gravely ill.

I pause there. The first time questions were put to the Minister of Justice and the government with reference to whether there would be a charge laid against Spencer, their answer was that he was very ill. But then for some strange reason, as we read from press reports, as I shall do in a few minutes, he miraculously recovered. Later when we questioned the Minister of Justice as to whether there was going to be a charge laid, or was the surveillance going to continue, the minister said there was no evidence. Well, if there is not evidence I would say if Spencer is under surveillance it is almost like being in custody. It is almost as the Supreme Court of Canada said in the Sankey case, that if the accused was not under arrest he was practically under arrest while being detained by police officers for questioning.

The question is: Is this individual free? Is he free to go about his work, to go about his way in society according to the rules laid down by the rule of law? Is this surveillance, as the Prime Minister said, solely for the protection of the individual, or to watch this individual so that he may not usurp the state's security? That is a question that has not been answered.

[Mr. Woolliams.]

Mr. Pearson: I know my hon. friend does not wish to misquote what I said. I said that was one of the two reasons he was under surveillance. One was for his own interests, because he stated in November if he told what he knew both he and the reporter who heard him would shortly be assassinated. The other reason was the public interest.

Mr. Woolliams: I thank the Prime Minister for that interruption. I listened to him very carefully. That was one of the reasons given but it is a very weak reason. If that is a very weak reason then the main reason this man is under surveillance is because the government feels he might do something to the security of our nation, and if that is the kind of evidence they have then I say to the Prime Minister and the Minister of Justice—and I say it not in the tone of criticism that might be offered in this regard—it is time that a charge was laid, that this man be brought before the courts, that he be acquitted or found guilty, because it is too important a matter to be left up in the air.

What was the position we took at the time the Prime Minister made his statement on May 11? It is to be found at page 1141 of *Hansard* for that date, and it was set out very carefully by the Leader of the Opposition who said:

> Necessarily, as responsible Members of Parliament we do not want to do anything that will prejudice to the slightest degree the investigation that is being made. However, in view of the widespread nature of these activities, I feel that the government should have an investigation by a royal commission, to look into this whole question and ascertain the degree to which espionage is going on within our country. Such a royal commission would not necessarily have to meet in the open. Composed of judges, it could take secret evidence which otherwise ought not to be revealed.

Not only would a royal commission clear up this matter but it would clear up other matters that may be pending in reference to this situation.

• (4:10 p.m.)

Let us look at the facts in their very simple form before I take the position which I shall take, in that I feel this individual's civil rights are, to say the very least, being usurped. What about Spencer; who was he? Spencer was a postal clerk who revealed his identity apparently some months after the government announcement of May 8 that two Soviet embassy employees were being expelled. Spencer, according to statements made by the Prime Minister and according to our own press statements, was a civil servant

who had co-operated with the police only after being confronted by them. Spencer's job was to provide information on the Trans Mountain Pipe Line, assist in the establishment of espionage activities in Canada and other countries, and perform economic and intelligence tasks.

The other unidentified person was paid, as was Spencer, thousands of dollars to provide technical information relating to defence, industry, and to compromise other Canadians including female employees of the government. He was given specialized training to familiarize himself with these tasks. The Prime Minister said Spencer was very ill. I would say now, from newspaper reports, that if he was ill recently he has miraculously recovered, or at least is not as ill as he was.

Then on February 2 the Prime Minister said he would consider the question of an inquiry. Earlier, in making statements to the press, Spencer said that if there was an inquiry, heads would roll. Now, the question I would like to ask is this—and I will read from the press reports in a few moments in this regard. I see the Prime Minister shaking his head. Allow me to build up my case, and then I will read from the press reports. I see the President of the Privy Council laughing. He is laughing at the method I am using, because he knows it is a very serious matter. As I said at the beginning, I have not had sufficient time to go into this thoroughly.

Spencer said heads would roll. I will ask this question: Whose heads would roll? Were they heads in high places; were they heads in the places where the investigation is done; were they heads in some service in Canada? Whose heads would roll?

Mr. Pearson: I never said that.

Mr. Woolliams: Somebody said he never said that.

An hon. Member: The Prime Minister said it.

Mr. Pearson: That is right; I said that.

Mr. Woolliams: I would like to put one or two of those backbenchers in the same position I am in, because I have not had more than half an hour to prepare this and I do not have a research group behind me. I have not always been the best behaved member of parliament.

Mr. Pearson: You are doing fine.

Mr. Woolliams: This is an important matter this afternoon and I would just ask that your group give me a fair hearing, because after all it is important and I want to put our position very clearly before the house.

I am going to read from the Toronto *Daily Star* of November 2, 1965. This is what the report said:

> 'Heads swim if I talk' spy suspect warns.
>
> Vancouver (CP-Special)— A spy suspect the government claimed was dying last May is alive in Vancouver and warns that if he ever talked "there would be some heads swimming in Canada and elsewhere", according to a report here.
>
> The Vancouver *Province* says the 57 year old man sometimes uses the name Wilson and works in the post office.
>
> "He readily agreed that he was the man whom members of the R.C.M.P. accused of supplying information on to a Russian spy network," the newspaper says.
>
> Two members of the Russian diplomatic service left Ottawa May 7 after being declared persona non grata.

If that statement is not correct, then would it not be better to have that kind of inquiry or that kind of commission in camera? Certainly the evidence produced should be made available to the privy councillors and the government for the security of our nation. But let us clear up what he means by "heads will roll". Maybe those heads which should roll are still in the kind of jobs where they might be dangerous and could undermine the nation at the present time.

I see the President of the Privy Council shake his head. But they do not know because they have not had that kind of inquiry—not that inquiry, anyway. The point I would like to make at the present time is that I want to talk about Mr. Spencer himself personally for a few moments. I realize the same as everybody in this house that the security of our nation is very important.

When we are dealing with a question of security sometimes there is a tendency to do what we might do in ordinary cases, and that is to run slipshod over those things which we call civil rights, liberty. After all we are governed by the rule of law in Canada. Let us, for a few moments, look at a definition, and this is in a speech made by Dean Cronkite of the University of Saskatchewan, former dean of law. At that time he was dealing with the spy case of 1945. The Prime Minister and his government will remember this, because at that time there was an inquiry to look into the manner in which those people who were arrested were treated and interrogated. There is a precedent for such an inquiry, and I am going to read this to show that there is such a precedent. We are talking about the freedom of the individual and sometimes it pays to be a little philosophical.

I know the Prime Minister can get that way, and when he does I enjoy it. Dean Cronkite said this in December of 1946, in *The Law Society's Gazette.*

> I take it that the liberty with which we are concerned today is the liberty of people living in society, that civil liberty is that which Montesquieu defined as the capacity to obey the laws. Back in the Maritimes we used to say that a person with a particular desire for liberty, come what might, was as independent as a hog on glare ice. We are not talking about that kind of unrestrained liberty. We are concerned with civil liberties,with liberties under the law, with the liberties of people living in organized society. That is quite a different thing from the liberty of the man unrestrained by laws, fearing not man, God nor the devil. But granting that we are talking about liberty under the law I doubt very much if the concept of civil liberties as such has ever been comprehensively defined or is capable of definition apart from the ideals of the time and place including the fundamental moral philosophy of the people subject to the laws.

• (4:20 p.m.)

It is just this simple. The reason any one of us as a citizen of this country has the right to assemble here or go to our homes, the reason any of our children have the right to land safely at school and return home, is that we are protected by the rule of law. The rule of law protects individuals; but when we assert civil rights as spelled out by the rule of law, then we are bringing about an understanding of civil liberties as we understand them in this nation.

I want to repeat that this man is under surveillance although he has never been charged. He cannot hold a job in the public service, he cannot obtain his pension and he cannot go anywhere unobserved because he is under observation. We do not know whether he is to be kept under surveillance for one year or for 20 years. In spite of this he has not been given a hearing.

The Prime Minister has stated that this man has not complained, but let me inform the Prime Minister that in my experience I have known of many individuals who have been incarcerated in jails in this country who have not complained. Do you know why they have not complained? It is because they were afraid to complain. Maybe this man is afraid to complain.

I repeat that we all realize the importance of security, particularly in respect of Canada, but we must always realize as well that this nation exists because of the freedom of the individual. Therein lies in a nutshell the weakness of the Minister of Justice and the weakness in the argument put forward by the Prime Minister and his government.

[Mr. Woolliams.]

I should like to remind this government of something that was said by a former cabinet minister at the time the government of that day did something similar in reference to a spy case in 1945. I should like to put on record the words of Mr. Powers in regard to that case. Back in 1945 he referred to something that Mr. Cronkite dealt with, and he refers to arguments presented by A. L. Smith, Mr. Coldwell, C. G. Powers, Mr. Diefenbaker and others. This is what Mr. Powers said, as reported in the Saskatchewan *Bar Review* of December, 1946, at page 68:

> As for me, brought up in an atmosphere wherein a framed photograph of Magna Carta was on almost every wall, accompanied with a warrant for the execution of Charles I, and steeped through my reading in the traditions of the martyrs of liberty and freedom, I cannot wish to turn back the pages of history seven hundred years and repeal Magna Carta. I cannot by my silence appear to approve even tacitly what I believe to have been a great mistake on the part of the government. If this is to be the funeral of liberalism I do not desire to be even an honorary pall-bearer at the funeral, and I do not wish by not taking part in this debate to give silent approval to the procedure which has taken place.

I suggest that what has taken place as far as the Spencer case is concerned is on all fours with what took place in reference to that matter when people were being incarcerated, denied counsel and interrogated without knowing whether they were going to be charged or not. Some were charged and some were released without charges being laid. I do not know whether or not they are still under surveillance.

Perhaps the terms of Magna Carta should be repeated at this time, but I think the important thing is that most Canadians would rather have an ounce of freedom than a pound of security. Let me read the pertinent part of Magna Carta, which is:

> No freeman shall be arrested, imprisoned dispossessed, outlawed, banished, or hurt in his person or property, nor will we in person or through our officers lay hands upon him save by the lawful judgment of his peers, or the law of the land.

What is the situation in reference to Mr. Spencer? He is still under surveillance. Perhaps the Prime Minister will reconsider his position and allow this man an inquiry in camera so that he can set out the facts that he has not divulged as yet. Let him indicate who these people in high places are whose heads he says will roll. I know that the Prime Minister does not like to hear that statement but—

Mr. Favreau: He never said that heads would roll.

Mr. Pearson: I am only showing some emotion, Mr. Chairman, because, as the hon. member knows from reading the press statements, he did not say that heads will roll: He said heads will swim. Surely there is some difference between heads rolling and heads swimming.

Mr. Woolliams: I am glad the Prime Minister corrected me in that regard, but I think I have read something which indicated that he has said heads would roll. Perhaps the Prime Minister has a better idea of what he said as a result of reading all the pertinent reports, because he has more time than I have. Let us assume that he said heads would swim rather than that heads would roll. Surely we are not talking about physical swimming, and when an individual gets dizzy and excited it is usually because he is disturbed at being close to the hot seat, or close to the facts. This is a psychological factor, a part of human behaviour.

Surely this man should have an inquiry, even if it is held in camera. In this regard let us consider what the national newspapers have said. First let us look at the *Gazette* of February 2, 1966. In an editorial that appeared in that issue the following is stated:

> Prime Minister Pearson's decision to consider establishing a judicial inquiry in the alleged spy case involving George Victor Spencer is another example of the Government's tendency to reverse its stand.

Apparently a reversal of stand was anticipated. The editorial then continues as follows:

> The Government's actions in the Spencer case became, over the months, so peculiar that judicial investigation would ultimately be necessary to justify them. For here was the case of a young civil servant, working in a minor job in a post office, who was alleged to have been in some way involved with the attempts made by officials of the Russian Embassy in Ottawa to carry out espionage. The espionage activity of the Russian Embassy officials was considered to be sufficiently serious for the Government of Canada to insist on their expulsion from Canada.
>
> Mr. Pearson informed the House of Commons in the spring that the Russians had been in contact with three Canadians. Two of them had co-operated with the police and thereby played a valuable part in exposing the plot. The third Canadian had not been co-operative. Or as Mr. Pearson put it, in the case of this third Canadian "the circumstances unfortunately were different".

I assume that was in reference to the Spencer case. If the circumstances are different, why is he still under surveillance? The editorial then continues and states:

> The name of this third Canadian was not given. But he was later identified by a Vancouver newspaper as George Victor Spencer. And Spencer himself readily admitted that he was the one who had been mentioned in Parliament. He is alleged to have gone further and to have made the extraordinary statement that if he were to tell all he knew about Russian espionage operations, "heads would be rolling in Canada and elsewhere".

That is where I read the expression. I knew I had read it somewhere during lunch time, and apparently he made this statement on another occasion. The editorial then states:

> The Government, however, declined to take legal proceedings against Spencer. The grounds given were that the evidence was not of such a nature as would be likely to procure a conviction in court, and that such a trial would disclose too much of Canada's counter-espionage methods.
>
> Had the matter rested at this point, there might still have been questioning about the Government's decision.

Later in the editorial the following is stated:

> The different pieces of the Spencer case became harder and harder to reconcile. If the man was considered, after careful examination and an interview, to be unsuitable even as a 'junior civil servant' working outside Ottawa in a 'non-sensitive job,' his disqualifications must have been serious.

I agree with the Montreal *Gazette* in that regard. The editorial continues:

> If they were of a nature having nothing to do with his alleged involvement in the Russian espionage activity, his dismissal from his post should have taken place in the normal course of events—

This information should have been made public, but it has not been made public. The last paragraph of this editorial states:

> It is necessary that the assurance should be given, by means of a judicial inquiry, that what has been done in this strange case has been done on sufficient grounds.

That is the position taken by the *Gazette*. The Toronto *Globe and Mail* of November 27, 1965 had this to say about the Minister of Justice and his dealings in this case:

> In this case, there is not sufficient evidence of a legally admissible character to ensure reasonable likelihood of conviction.

That is reportedly a statement made by the Minister of Justice. I would like to hear the Minister of Justice explain this situation. Because some law officer's opinion is that there is not a likelihood of conviction, but because there is some evidence against Spencer he is fired from his position, his salary is

cut off, his pension is cut off and he remains under surveillance, which means partly in custody.

Is this man free? Is he as free as any member of this House of Commons? The answer to those questions is obviously no, because he is under surveillance and I want to know why. I suggest that he should be given a hearing.

Mr. Churchill: Can he leave the country?

• (4:30 p.m.)

Mr. Woolliams: Yes, that is another good question. Somebody asked, could he leave the country? He probably cannot leave the place where he lives. This is what the Brandon *Sun* said in connection with the Spencer case:

> The man's reputation is ruined. He has been named. The Minister of Justice has stated that he gave information to the Russians. But the justice minister will not give him the satisfaction of having his case tried.

Those on the other side of the chamber talk about hearings. They went a long way in this regard at one time. I remember the Minister of Transport said when we were dealing with the Coyne affair that it was a terrible thing for Mr. Coyne, it was against the Bill of Rights, that he did not receive a hearing in the House of Commons, even if he had one in the Senate. If the law is to be applied for one person in Canada who holds a high position, is it right for Mr. Spencer to be denied the same privilege?

The Deputy Chairman: Order, please. I regret to interrupt the hon. member for Bow River but the time allotted for his speech has expired.

Some hon. Members: Carry on.

The Deputy Chairman: Does the Chair now understand that the hon. member should continue his speech?

Some hon. Members: Agreed.

The Deputy Chairman: Does the committee give unanimous consent?

Some hon. Members: Agreed.

Mr. Woolliams: Thank you very much, Mr. Chairman. This article in the Brandon *Sun* goes on to say:

> The man's reputation has been ruined, and for all anyone knows, he may not even have done what the justice minister says he did. And even if he did do it, the justice minister apparently feels that what he did was not serious enough to merit prosecution.

[Mr. Woolliams.]

Then the writer of this newspaper article says:

> This is a ridiculous situation.

I say it is ridiculous and preposterous. The article continues:

> We have a man whose integrity is in question, who is being shadowed like a criminal, and yet who has done nothing, apparently, to merit prosecution under the Criminal Code. The worst that can be said is that he was guilty of poor taste and bad judgment for giving information to Soviet agents. And yet we do not even know that he did that! Has Mr. Cardin come down with a case of Favreauitis? Are incompetence and forgetfulness an occupational hazard of justice ministers? It would appear so, and that appearance will linger until all the facts are known.

That appearance will linger until this man has been given a hearing, even though it be in camera. Let us look at the *Globe and Mail*. They are just as critical. Similar articles appeared in all our national newspapers. They are critical because they realize, as I am sure the Prime Minister and the Minister of Justice realize, that the most important civil right is liberty as I described it this afternoon in the definition given by Dean Cronkite, formerly of the University of Saskatchewan, and the words used by the Hon. Mr. Powers, former cabinet member at the time another spy case was being investigated.

The article in the *Globe and Mail* says:

> The justice minister at the same time said that Spencer would be kept under surveillance so long as he remained in Canada, which would seem to mean for the rest of his life, since he is a Canadian.

The question to be asked is, how long is this man to remain under surveillance? When will he be able to throw off the cloak and the umbrella, if ever? The article continues:

> He has been dismissed from his job in the post office, cut off from pension, without right of appeal.

I shall deal with that question once more. Surely the fact that he received a hearing before the Civil Service Commission has nothing to do with his rights as a citizen of this nation to have determined the question of whether he is guilty or innocent of the charge of espionage.

Mr. Douglas: He did not even have an appeal before the Civil Service Commission.

Mr. Woolliams: No, he had no appeal; and we never know what influence is used in that regard. The article in the *Globe and Mail* then says:

> That the surveillance, the dismissal from the job and the decision not to prosecute still stand, was confirmed in the house yesterday by Mr. Cardin.

This article appeared in the February 1, 1966, issue of the *Globe and Mail* and was written by Mr. George Bain. I think it should be placed on the record. It continues:

> Surveillance of a person believed to have formed an intention to commit a particular crime may be reasonable and essential to law enforcement, as the justice minister says. Never-ending surveillance to satisfy some generalized suspicion that a person might at some time commit some crime is a device of the police state.

Those are strong words. They are not my words; they are the words of the *Globe and Mail*, one of the leading national newspapers of this country, written by Mr. Bain. Then the article says:

> Mr. Cardin is on shaky ground—

Well, Mr. Chairman, I have often wondered about that but I shall not go into it now:

> —too, when he argues against even an in-camera hearing of Spencer's alleged offences on the ground that counter-espionage methods would be disclosed, and argues at the same time that the man got a fair shake in the firing proceedings because "the Civil Service Commission was asked to make a full examination of the case . . ."
>
> This suggests either that Mr. Cardin believes the Civil Service Commission can be entrusted with a matter which could not safely be entrusted to a judicial committee, or that the Civil Service Commission rendered its "independent and objective advice" on the basis of less-than-full knowledge of the case.

That is strong language but it is language I put to the government and ask them to reconsider their position. I ask the Prime Minister the same question. It is not the first time this government has had to retreat on matters. I am sure their pride will not be punctured if they have to retreat on this matter, because we are dealing with a question of civil rights. Then the article says:

> He was then accused—and from that, the natural processes of justice should follow, or should be altered only for some much better reason than the government has seen fit to offer.

I could go on reading these quotations, Mr. Chairman. Newspapers throughout the land take the same position. In 1945 a precedent was set when we had a spy case under investigation. I am speaking from memory now and my reading of some years ago, but I believe 11 people were involved in that case. I may have to correct that figure. A commission was set up because men like Mr. Diefenbaker, Mr. Coldwell and Mr. Powers set out the argument in favour of a commission far more ably than I can this afternoon.

A similar situation was being dealt with at that time and a hearing was held in the case. The Minister of Justice at that time is, as the Prime Minister knows, a very distinguished Canadian, Mr. St. Laurent. The precedent was set at that time. The Prime Minister said he has reviewed the cases in this respect. I am not being critical but I think he missed this particular case. There is precedent in this regard, and as there is precedent, and the argument advanced by the government, is that there is not, let us follow precedent and give this man a hearing. The Saskatchewan *Bar Review* of December, 1946, had this to say:

> It should further be noted that a commission composed of Justices Taschereau and Kellock was appointed under the Inquiries Act to investigate the ramifications of the alleged spy ring. Mr. E. K. Williams, K.C., President of the Canadian Bar Association, along with two other legal gentlemen, was appointed commission counsel. In mid-February the people of Canada first heard of the matter when the suspects were gathered in under rather dramatic circumstances, pursuant to the order in council just referred to. On February 15 the Prime Minister made a public statement and from then until parliament met on March 14 the newspapers and all the rest of us had a good time speculating and accusing.

That is what we are doing now, speculating and accusing Mr. Spencer. He is under surveillance for the rest of his life. Let us get off his back. Let us give him a hearing that the rule of law allows any citizen of Canada. I cannot make my point any clearer than that, Mr. Chairman.

I wish to digress from this subject for a few moments. When the estimates of the Department of Justice were placed before us the Minister of Justice made a statement. I would ask him how we are to handle the old estimates because there is now some confusion and a divisive element with regard to ministerial responsibility. We on this side of the chamber were not sure, when we prepared our remarks for these estimates, what branches some matters come under. I would ask the minister to reconsider his position in this regard because it seems to me this government has taken the position that when they appoint a minister in whom they have not absolute confidence they delegate part of his department to somebody else.

I will give the committee an illustration. Consider, for example, the positions of the Minister of Agriculture and the Minister of Trade and Commerce. The Minister of Trade and Commerce lost responsibility for the Wheat Board and it was given to the Minister of Finance. Now we have a Minister of Justice half of whose work is given to the Solicitor General and some to the President

of the Privy Council. We on this side of the chamber do not know what matters come under what department. I would point out to backbenchers opposite that there is hope for them; they will probably all be privy councillors eventually, in view of the fact that there is a high mortality rate among Liberal cabinet members.

• (4:40 p.m.)

Mr. Douglas: It is an understatement for me to say that I am deeply disappointed by the statement which has been made this afternoon by the Prime Minister. It seems to me a very serious matter when the head of the government of Canada rises in his place in this house to put his stamp of approval upon a situation in Canada where a man can be charged, without being given the opportunity to prove his innocence; where he can be punished without a trial and where he can be stigmatized without a hearing. This is exactly what has happened to Victor George Spencer.

I do not need to say that neither I nor any member of the party with which I am associated, nor any other member in this house, takes any exception to the government's using firm, stringent measures to deal with espionage. We take it for granted that this is the function of the government. I do not know Mr. Spencer. My colleague, the hon. member for Vancouver East has him in his constituency and has known him for several years. He certainly does not gather the impression he is either a very dangerous or a very sinister figure.

But it seems to me to be elementary justice that if this man is a menace to the security of this nation, then he ought to be tried, found guilty and punished. Surely he has the right to be heard. Surely he has the right to his day in court. He has the right to be deemed innocent until he is proven guilty.

Let us look at what has happened. On May 8 the Department of External Affairs issued a statement in which they referred to two Canadians who had been allegedly engaged in espionage activities, one of whom co-operated with the R.C.M.P. and who, by the way, secured large sums of money apparently for the purpose of compromising female civil servants, which does not make a very pretty picture. The second, who did not co-operate but who was confronted and admitted some association with agents of the U.S.S.R., was described in these terms by a report of the Department of External Affairs:

> In one instance a Canadian civil servant was paid thousands of dollars to gather information and documentation in Canada, the purpose of which was to assist in the establishment of espionage activities in Canada and in other countries, and to perform economic intelligence tasks, including the provision of detailed information on the trans-mountain pipe line system in Western Canada.

The Prime Minister told us at that time that this second individual was gravely ill, but the impression was certainly given that in the event of his recovery he would be prosecuted. Well, from the newspapers I gather the man was gravely ill. I understand that last May he had a lung removed. But there was no prosecution when he recovered. Instead the Minister of Justice told the house there was not sufficient admissible evidence to warrant prosecution.

What has happened has been that the government has proceeded now to be the judge, the jury and the prosecuting attorney all rolled into one. The government had one or two alternatives which it could have taken. First of all, there has been set up by the government a senior civil servants committee on security. Hon. members will recall this committee was set up a couple of years ago largely because of a case which was brought to the attention of the house by the hon. member for Nanaimo-Cowichan-The Islands. This case concerned a young sailor who was discharged from the government on security grounds. It was discovered later this was a matter of mistaken identity. We pressed in the house for some appeal board to which persons in the government service or in the armed services might go if they were accused of being a bad security risk. At that time the Prime Minister agreed to set up such a committee. This man might have been given the opportunity to appear before it.

A few days ago the Prime Minister said it was not appropriate for Spencer to appear before this committee because he was not in a job that had to do with security. If he was not in a job that had to do with security, how does the government explain the fact that the Postmaster General said in his public statement the man was dismissed for security reasons? The Postmaster General says he is dismissed for security reasons, but the Prime Minister says this man cannot appear before a security committee because he was not in a job that had to do with security. He was ruled out of that possibility.

The next choice the government had was to dismiss Spencer in the normal course of events and allow him the right to appear before the Civil Service Commission. The government could have placed whatever evidence it had at its disposal before that body and Spencer could have appeared, I assume with counsel, and could have defended himself. But the government did not do this. Instead, the government dismissed him under section 50 of the Civil Service Act, which denies this man the right of appeal and cancels his pension.

The other day the Prime Minister said they sent someone out to see him. I understand from press reports it is true that Mr. J. A. Murray, the director of the appeals branch of the Civil Service Commission, went to Vancouver and interviewed Spencer. Does the Prime Minister think that constitutes a hearing, Mr. Chairman, that sending a civil servant to interview a man constitutes giving him a chance to prove his innocence? Is this individual, Mr. Murray, who interviewed him to be sole judge, jury and executioner? This is not a hearing before the Public Service Commission. This is an investigation before they dismissed him, and after having assured themselves that the Civil Service Commission were satisfied, and there would be no complaint from them, the government proceeded to fire him. I do not wonder that the postal employees union in Vancouver registered the strongest possible objection to this nefarious use of this vicious and dictatorial section in the Civil Service Act.

Now, the other thing the government did was to take Spencer's pension away from him. I gather from press reports that this man is 57 years of age. How is he supposed to live and maintain his family for the rest of his life? This man's pension is part of his deferred wages. The pension rights of an individual are earned over a period of years and the contributions which the government makes are one of the fringe benefits of his employment. By what right does the government take this money which belongs to this man? If this man lives his normal life expectancy, the amount of money which the government has taken from him amounts to several thousands of dollars. In other words, they have fined him.

• (4:50 p.m.)

Is the government now a court that can accuse a man, condemn him and fine him his life's pension without giving him a hearing or a trial, without giving him the opportunity to say what he has to say in his own defence? Surely this is a scandalous state of affairs. I say, Mr. Chairman, that it is a sad day for Canada when a man can be punished without trial, can be accused without being given a chance to appear in open court; when a man, whom the Minister of Justice says there is not enough evidence to prosecute, can be stigmatized, have his pension taken from him, be dismissed from his employment and placed under surveillance for the rest of his life, being fined thousands of dollars of pension money which is his by right.

The Prime Minister made a defence of the action taken by the government. First of all, he said that Spencer admitted improper conduct. How do we know that? How does the Prime Minister know it? Is he just relying on a report in a police file? Has this man ever said in court that he was guilty? And guilty of what? To what offence has he admitted being guilty of? Are people now to be condemned on the basis of a police report or on the transcription of an interview with some government official? We do not know that he has admitted improper conduct, and the Prime Minister does not know it except by accepting a document presented to him by some people in the government service.

The Prime Minister says that this man disclosed his identity. The government disclosed his identity the day they fired him. Every person at his place of employment knew that this man had been fired because he was associated with the charges, the public accusations, that had been made by the Department of External Affairs. As a matter of fact, this man did not identify himself; he was accosted by a newspaperman who said to him: "Are you the person who was referred to in the external affairs department release of May 8?" What was he supposed to do—lie? Was he supposed to perjure himself?

Why does the Prime Minister expect this man to join this general conspiracy of silence? If the man had nothing to be ashamed of, why would he not say, "Certainly I am the fellow who was mixed up in this mess; all I want now is a chance to tell my side of the story"?

It seems to me that the weakest argument put forth by the Prime Minister is when he says that we must protect our national security system, because if we do not it will be impossible to carry on proper counterespionage in this country. Not one member of this

house, Mr. Chairman, I am sure, is asking that all the background information of the counterespionage system of this country should be laid open to the public. Of course that would be impossible. What we in the opposition parties have been asking for has been an in camera judicial inquiry. All we are asking is that a judge or a group of judges be constituted, before whom this man can appear with his counsel and tell his story, before whom documents can be examined and the whole case gone into. If the judicial inquiry tells us and the people of Canada that it is satisfied that this man has been properly, fairly and justly treated, then I for one will say no more about the matter.

But what are we given, Mr. Chairman? The Prime Minister stands up in his place and says: "I believe that this man's treatment has been lawful and just". I would tell the Prime Minister that there is a verse in the Bible which asks: Who made thee a judge in Israel? Since when has the Prime Minister become a court? I have great respect for the Prime Minister and I do not believe that he would willingly do an injustice to any person. But with the greatest possible respect I am not prepared to give to him or to any other person in Canada the power to condemn a man until he has been tried by the due process of law.

Mr. Fairweather: The new politics, they call it.

Mr. Douglas: The Prime Minister says that this man's human rights have not been impaired. The Prime Minister, Mr. Chairman, must surely have had his tongue in his cheek when he made that statement. This man has been stigmatized from one end of Canada to the other as one who was setting up espionage in this country. He is going to be kept under surveillance, the Minister of Justice tells us, for as long as he lives in Canada. Yet the Prime Minister says his human rights have not in any way been impaired.

What I should like to know, Mr. Chairman, is the real reason the government has refused to grant an in camera judicial inquiry. Whom are they trying to cover up for? Did the Department of External Affairs, in the anxiety of the minister to pose as the spy catcher of the age, make accusations which they could not substantiate? Did the Department of External Affairs go too far, and then the Department of Justice find that they really had not the grounds for the things they had been saying? What is the real story at the back of this? Is the government's refusal to have an inquiry an attempt to whitewash the ineptitude and the incompetence of some people within the government service? This is what we want to know.

The Canadian people will not be satisfied with having the Prime Minister rise in his place and say: "After carefully looking over all the files I am satisfied that this man has been treated justly and fairly". It is not enough for the Prime Minister to say that justice has been done. The Canadian people must be satisfied that justice has been done. Justice must seem to have been done; and I do not think that the Canadian people will be satisfied until the government gives this man a chance to appear, even behind closed doors, before a panel of judges who can hear all the facts and decide whether or not this man has been treated fairly before the law.

Surely, Mr. Chairman, if we are to survive as a free and democratic nation one thing we must preserve is the due process of law. As long as one citizen, humble though he may be, unimportant as he may seem to the government, is denied access to the courts and denied the due process of law, then something of our freedom in Canada has been diminished.

The Deputy Chairman: In order that the house may proceed to the consideration of private members' business, it is my duty to rise, report certain resolutions, and request leave to sit again later this day or at the next sitting of the house, as the case may be.

Resolution adopted in committee of supply this day reported and concurred in.

• (5:00 p.m.)

EDUCATION

SUGGESTION TO ESTABLISH FEDERAL RESEARCH AND INFORMATION SERVICE

Mr. R. W. Prittie (Burnaby-Richmond) moved:

That, in the opinion of this house, the federal government should consider the creation of a federal office of education, the purpose of which would be to provide, in co-operation with the provinces, a clearing house for research and information concerning elementary and secondary education, the co-ordination of the present activities of the federal government in education, and to provide leadership in the general field of post-secondary education.

He said: Mr. Speaker, last week a somewhat similar resolution was presented by the hon. member for St. John's West (Mr. Cashin)

having to do with the involvement of the federal government in education. At that time members of this house were reminded, I think by the hon. member for Sainte-Marie (Mr. Valade) that the hon. member for St. John's West ought to look at the British North America Act, sections 92 and 93, to see what they said concerning education. Of course I and the hon. member for St. John's West have always been aware what those two sections of the B.N.A. act said with reference to education. I submit that that is not the whole story, and that the federal government is involved, and quite properly involved, in certain aspects of education. Section 91 of the act gives the federal government responsibility for the Indians of Canada, and in carrying out that responsibility the government has established a system of Indian education in this country. That is a system of considerable size because I notice that the budget for Indian education in the year 1966-67 is $38 million.

Defence, of course, is also a federal responsibility, and under this heading a considerable amount of money is spent. There are service colleges for the training of officers. There are the ordinary elementary and secondary schools which the Department of National Defence operates in Canada and overseas for the children of men in the armed forces. I am afraid that I could not tell you what the figure is, because the amount spent for this purpose is not shown separately in the estimates.

The external aid office of the Department of External Affairs is also involved in giving educational assistance to developing countries in other continents. These are three activities with respect to education in which the federal government is quite properly involved, and which do not infringe upon the rights of the provinces in any way.

Apart from this the federal government has become concerned in recent years with other aspects of education. If hon. members look again at the estimates for 1966-67 they will see an amount of $186 million to be voted under the terms of the Technical and Vocational Training Assistance Act. As we all know these are moneys to assist in the building of technical and vocational schools in the provinces and, as I say, the amount of money there involved is $186 million.

Recently the Prime Minister announced an increase in aid to universities. The amount to be spent by the federal government, this year, for that purpose will be $100 million.

Adding up all the figures I have quoted, Mr. Speaker, you will see that they amount to somewhere around $240 million. This amount of money is quite apart from research grants made by Central Mortgage and Housing Corporation, and other federal government departments.

One can still look at the B.N.A. Act and argue that the federal government has no right in the field of higher education. Indeed the province of Quebec still takes that attitude. Quebec has received aid for its universities in a manner different from the other provinces, but I suggest that in the other provinces there is no real argument against this. Those other provinces quite willingly accept the money for technical and vocational schools, and quite willingly accept the money for their universities. More and more people in this country look upon section 92 as referring to elementary and secondary education which will remain within the jurisdiction of the provinces, but they look upon the whole field of higher education as something which the federal government is quite properly concerned with.

Mr. Speaker, I have already said that the federal government is operating schools and spending large amounts of money on education. However, these educational activities of the federal government are rather dispersed, and handled by quite a number of departments. The Department of Labour formerly handled the technical and vocational grants, which are now to be handled by the new Department of Manpower and Immigration. As I have mentioned, the Indian affairs branch of the Department of Northern Affairs and National Resources is involved in operating a whole educational system on its own. The Department of National Defence has a division which is concerned with education. The Department of Finance comes into the picture so far as the Canada student loans plan is concerned, and the Department of External Affairs through the external aid provisions is also involved with education.

I suggest that we ought to create a federal government agency—and I am not too concerned by what name it goes, whether you call it the federal office of education or the federal secretariat of education—into which all educational functions of the federal government will be brought, so that there may be some coherence to the whole program.

In addition to performing the functions which I have mentioned, of operating the

schools of the federal government, consulting with the provinces and the universities concerning university and technical and vocational grants, I suggest that a federal office of education could serve as a clearing house of educational research in literature throughout Canada.

In the provinces in Canada co-ordination in educational research is going on, and new curricula as well as new teaching methods are being developed. However, there ought to be a clearing house where all these things can be brought together.

I should like to say a word about research. I have already said that in Canada some educational research is being carried on, although not nearly enough. We are behind many other countries in this respect. There was an organization in this country a few years ago known as the Canadian Council for Research in Education. This body was supported by several national organizations, including the Canadian Association of Professors of Education, the Canadian Association of School Superintendents and Inspectors, the Association Canadienne des Educateurs de Langue Française, the Canadian Education Association, the Canadian Home and School and Parent-Teacher Federation, and, as it was then called, the National Conference of Canadian Universities and Colleges.

In a brochure recently published by the associations I have mentioned, it was pointed out just how far behind other countries Canada is with respect to educational research. May I quote briefly from the brochure:

> But there is a growing concern in the educational world about the effectiveness and efficiency of our educational programs. One source of this concern is the increasing cost of education. Rising cost brings with it the inevitable question as to whether the two billion dollars Canadians are now spending on education are being put to the best possible use.

● (5:10 p.m.)

> However, a much more basic cause of our concern with efficiency is that we recognize that man's knowledge is accumulating at an accelerating pace. Thus the child of each succeeding generation must learn more and more rapidly, or he will become increasingly less capable of utilizing this accumulated knowledge. This acceleration in the child's learning will require a continuing improvement in the effectiveness of our school programs.

Speaking at a conference of the Canadian College of Teachers at Lac Beauport, Quebec, two years ago, Dr. Robinson of the Canadian Council for Research and Education expressed this opinion—and I am reading from a report by the Canadian Press:

> Many of the differences in education from province to province were not based on different philosophies, but simply on different rates of slowness in copying United States methods, he said.
>
> He quoted mathematics as a subject in which Canadian education is five years behind the U.S.
>
> We must, of course, profit where we can from American research,
>
> But if Canada is to pretend to have an educational system with unique goals—as we surely do—it must follow that we develop an independent research program.
>
> Otherwise, Canada confesses to being the intellectual beggar among the educationally advanced countries of the world.

I think there is ample evidence that educational research in Canada is behind that of the United States, and that we should be doing more than we are doing now in this field. The Canadian Council for Research in Education is, I am sure, performing a useful function. It is supported by the organizations which I mentioned a few minutes ago. I would suggest, however, that these are organizations with only limited funds at their disposal and that it would be fitting if an agency could be set up by the federal government which would recognize the importance of research in education, just as we recognize the importance of scientific research by the National Research Council.

I believe the federal government should recognize this and provide the financial support necessary to carry on the type of research into education which is really necessary in this country. I suggested earlier that there are educational activities in the educational field which are quite appropriate for the federal government. I suggested that a federal office of education should be established to handle those functions which pertain to the national defence schools, Indian schools, the granting of moneys for technical education, and so on. I am also suggesting that we should go further and set up an office for educational research. Whether the provinces wish to co-operate or not is, of course, up to them. It seems to me that education throughout Canada would profit from research into curricula, teaching methods and the psychology of learning. This information could be brought into one clearing house and then be made available to the whole country.

I realize that some agencies are trying to do this at the present time—the Council for Research in Education, the Canadian Teachers Association and, perhaps, the

Canadian Home and School Association. Nevertheless it seems to me this work would be more efficiently done by one agency to which all this information could be sent—an agency with the funds available to stimulate further research.

The situation in Canada is not very different from the situation in the United States, as far as the constitution is concerned. Education there is the responsibility of the individual states. Yet for many years the United States has had a federal office of education—an agency in Washington. The states have throughout carried on their own educational systems—there are 50 states with 50 educational systems—but there is also a central agency which tries to co-ordinate the work as best it can.

This idea that there should be a federal office of education in Canada was presented to the Prime Minister by a delegation from the Canadian Home and School and Parent-Teacher Federation in 1963. At that time the following report appeared in one of our newspapers. I quote from a Canadian Press despatch.

> A parent-teacher delegation said Tuesday its proposal for a federal office of education has been endorsed in principle by Prime Minister Pearson.
>
> The prime minister told the group, however, that the department could be established only if all provinces agreed.
>
> The proposal was put to him by the 300,000 member Canadian Home and School Parent Federation, which also asked for federal-provincial co-operation in providing more resources for vocational guidance.

I would disagree with that statement by the Prime Minister (Mr. Pearson). If the federal government wants to establish such an office to handle its own educational functions it has every right to do so. Whether or not the provinces wish to co-operate is another matter but I suggest many of them would wish to do so.

I think we should recognize the fact that the federal government is already deeply involved in education. When you spend more than $250 million a year in a particular field, you are involved in it. This involvement will grow in the course of the years. Certainly if the report of the Bladen Commission is carried out the federal government will be heavily involved in education. We might as well accept this situation and create an agency in Ottawa to carry out this function of the federal government as usefully and as efficiently as possible.

Mr. Aiken: Would the hon. member permit a question? Does he see this office as a separate department or as a branch of the proposed Department of Manpower?

Mr. Prittie: I did not suggest that a separate department should be established. I am not much concerned about titles. I am more concerned about the functions to be performed. I think that initially this office would be a branch of another department—a secretariat of some sort.

Mr. Robert Stanbury (York-Scarborough): During the debate on the Speech from the Throne I had an opportunity to speak briefly on the subject matter of the resolution before the house today. I supported the idea that an office of education should be formed within a department of the federal government and I urged the establishment of such an office. I was interested to note that during the same debate the hon. member for Restigouche-Madawaska (Mr. Dubé) also spoke on the subject and made what I thought was a substantial contribution toward an understanding of federal participation in education.

• (5:20 p.m.)

I rise today to support enthusiastically the principle of the motion put forward by the hon. member for Burnaby-Richmond (Mr. Prittie). My only reservation is that perhaps the motion is too restricted. I would hope and expect that a federal office of education would be more than a clearing exchange, and that its interest in research and information would not be restricted solely to elementary and secondary education. I would hope and expect, too, that such an office would stimulate more and better research in the whole spectrum of education which has too long been starved for lack of research in Canada. I would hope and expect, further, that such an office would provide leadership, not just in post-secondary education but, in co-operation with the provinces, in every aspect of education in which there is a national interest.

My hon. friend referred to the United States office of education. What he did not say, but what might be interesting to hon. members, is that the United States has had such an office of education since 1867. I suggest that by 1967 it will be high time Canada had such an office.

It might be instructive to quote from a document published by the Committee on Education and Labour, of the United States House of Representatives, in July 1963:

> Certainly education is a national concern. Undoubtedly, no democracy can long endure unless it develops a national policy regarding education. Even though the federal government has been

interested in the growth and development of the schools of the nation, the major responsibility for the organization and financing of schools has been a state's function. In many instances the education system has become so decentralized that each school district has assumed major responsibility for the development of its schools. We have valued this decentralization, believing that it is important for every citizen in every community to be interested in the kind of schools his children attend. We have voted to tax ourselves at the state and local levels to maintain a high-level educational system and have been proud of the dedication shown by the lay boards of education who have given unselfishly that our American system might reach the level of its present accomplishments. Yet, at the same time we have been consciously aware of the fact that, with increased mobility of our nation's population and increased need for an enlightened citizenry, the federal government must play an increasing role in the further development of our educational opportunities.

I believe those words apply with equal force in Canada. We must recognize and respect the primacy of provincial jurisdiction in education. If Canadian education is to be effective, provincial education departments and powers must be strong. The alternative to that is surely an educational lag and a default of leadership, but the government should help, where help is wanted, by grants, information and advice. The federal government has a valid and vital interest of its own in education, a national interest in education.

The Canadian Chamber of Commerce in its statement of policy for 1965-66, published last September, states at page 16 of that document:

While recognizing that educational institutions and their administration in Canada are under the specific jurisdiction of the provincial and local authorities, it is nevertheless asserted that education is and ought to be a matter of national concern and of direct interest to all Canadians.

The hon. member for Burnaby-Richmond (Mr. Prittie) mentioned that parliament is now responsible for spending vast sums on education. I believe he mentioned an amount of some $250 million. However, according to Pierre O'Neil in *La Presse*, some $500 million is estimated to be the current federal expenditure on education.

Can the Canadian government or the provincial governments seriously talk of exclusivity in educational jurisdiction when education today involves this kind of public investment, this kind of involvement in every fibre of our society, our economy and our cultures? There is more than money at stake.

I believe that a federal office of education should co-ordinate the myriad federal programs in education, which the hon. member has mentioned. I believe it should make its facilities available to assist provinces to gather information and make it available for the advancement of education in all parts of Canada.

We must recognize that there is a national interest to be served in education which is not necessarily the sum of provincial interests or identical with any particular provincial interest. The Economic Council of Canada has made the message loud and clear that there is unquestionably a national interest in education from an economic standpoint. Perhaps, in fact, there is no more vital national interest.

The second annual review of the Economic Council of Canada points out that "education is a crucially important factor contributing to economic growth and to rising living standards". That would be reason enough to co-ordinate our attacks on this national problem, but there is more to education than economics. There are people, their lives and livelihoods, their contributions in human terms to their families, their communities and their country.

What should be our goals as a nation to meet their needs in education? What needs have the provinces been unable to meet, or cannot be expected to meet? I can think of a number of areas in which federal initiative could be taken in an office of education such as the motion suggests—pre-school preparation of economically and culturally deprived children, children of minority groups, children of immigrants; orientation of immigrants of all ages to school, to work, to our society; highly qualified in their own countries but restricted by educational or professional requirements here; training of language teachers to raise the level of bilingualism wherever local education authorities want to do so in any part of Canada; training and retraining Canadians of any age, wherever they live, so that they may make the fullest use of their talents for the benefit of themselves and of Canada; adult education which recognizes education as a continuous process, continuously enriching lives, communities, provinces, and most of all our country. Mobility of teachers and students, of knowledge and ideas, as well as of labour is surely desirable in Canada.

• (5:30 p.m.)

A nation's education cannot live and thrive in ten airtight compartments. It will suffocate in the grip of parochialism. It is suffocating, at least in so far as the national interest

is concerned. I think it is time we faced facts as Canadians, as provincial governments and as a federal government. It is time we tossed out the old shibboleths which have hobbled Canadian education for 99 years. Perhaps up until now we could afford it; but today we have a different society, a different economy, and a different nation in a different world. Education itself is different, it is in ferment.

In today's Canada we cannot afford to have education walled up, no matter how good each provincial system may be. Let us knock down the bureaucratic walls which plague Canadian education today. We hear talk of jealousy of sovereignty. Are those authorities which are jealous of their sovereignty also jealous of poverty, ignorance, and lack of opportunity for full participation by every citizen in educational progress. I suggest there may be jealousy among governments in the field of education, but I suggest also that these governments ask their people about education.

I believe that the people of Canada are not interested in arguments about sovereignty; they are interested in obtaining the fullest possible opportunity for every Canadian to develop his talent to the fullest. If we fail to develop national goals in education, if we fail to make significant progress toward those goals, the result will be to the detriment of Canada as a nation. What has been good enough for Canada in the past 99 years is not good enough today. Balkanized education will not serve Canada's needs in its second century.

I appeal, Mr. Speaker, for a new awareness of the need for a national focus on education, respecting provincial jurisdiction and earning provincial co-operation in meeting the challenge. I favour a federal initiative in the establishment of an office of education and I join the hon. member for Burnaby-Richmond in respectfully taking issue with the view expressed by the Prime Minister, that no initiative should be taken without the agreement of the provinces. I favour a federal initiative in the establishment of such an office.

I hope that the provinces will co-operate in a spirit of mutual good will and mutual interest, and make the fullest and most productive use of such an office for the benefit of their citizens, and in the national interest; but I urge the establishment of such an office even if such co-operation and such interest is not forthcoming, for the purpose of more effectively carrying out the established functions and responsibilities of the Government of Canada to the people of Canada in the field of education.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I will take only a few minutes because I know quite a number of hon. members are most interested in this particular subject. I will try to say what I wish to say in a vey few minutes.

I think the need for the establishment of an office such as is proposed is so obvious that we should hardly need to be debating it. I would go further and say that the re-organization of the government which the Prime Minister proposed very recently very easily could have included, in a branch of the manpower department, an office to co-ordinate these efforts.

I support absolutely the motion in its general intent. The federal government has engaged in an encroachment in the field of education in three main areas, the first of which is in the vocational schools program, which was not really an encroachment because it did not make any effort to teach, but rather to provide financial assistance. There was a large amount of federal money spent. Second, the university grants to the provinces have been increased from time to time and now are expected to be $5.00 per capita. This is a very large and substantial federal expenditure. The third is research, which reaches across the whole field of education. We are involved in education, particularly in these three very important fields.

I do not believe there has been any question of the constitutional grounds about these three fields. In two other fields a reasonable case can be made for federal involvement in education, and that is post-secondary education at the university and vocational levels—and also in the matter of standardization of grading in elementary and secondary schools in Canada. I think this is very badly needed.

• (5:40 p.m.)

Last year I proposed a confederation student exchange for the centennial year which had as its objective the exchange of students between different parts of Canada for a full term of study, particularly students taking education at the secondary level. The centennial commission has never fully adopted this idea, although it has received general interest and support by various people and organizations as well as the government. As a result, the student exchange program was stepped

up, although it has not gone far enough. My complete plan was never put into effect.

When I did some research on this particular idea of student exchange I found a lack of standards in grading of elementary and secondary students across the country. In this regard I think the federal government could provide service by establishing an office to determine how best to standardize grading without in any way interfering with the rights of the provinces in the field of education. I see no reason why we could not provide some assistance in this way, particularly in view of the fact that with a constantly moving population, education in Canada is now a matter of national concern.

Mr. Speaker, I can foresee that part of the manpower requirement of this country will necessitate further federal involvement in this provincial field. However, in this regard we must be very careful, so long as the constitution remains as it is, not to go beyond what is strictly related to the federal field. Sometimes in our enthusiasm in relation to national co-ordination and effort we are inclined to step over the limits of what the constitution sets out as being federal jurisdiction. Our constitution still puts education under the jurisdiction of the provinces, and while we seem to be encroaching upon it from time to time as education becomes increasingly important and of national concern, we have to give due recognition to constitutional matters and should not go beyond them. I do not think that some system of grading in primary and secondary schools on a national level would be an encroachment. I do not think that any general effort related to manpower needs in Canada would be an encroachment on the provincial field.

Mr. Speaker, those are the few comments I wished to make. I hope the government will treat this as more than a routine motion and act on it post-haste.

[*Translation*]

Mr. Herman Laverdière (Bellechasse): Mr. Speaker, I congratulate the hon. member for Burnaby-Richmond (Mr. Prittie) on his motion which reveals the interest he bears the great cause of education in Canada.

I suppose it is difficult, if not impossible, for one who has made a career of teaching, one who has devoted years to teaching, not to be, even as an M.P., interested to the highest degree in this worthy cause, and I congratulate the hon. member on his praiseworthy intentions in presenting this motion.

[Mr. Aiken.]

Indeed, it is necessary to co-ordinate efforts by setting up a national centre for the exchange of information. New teaching methods are being developed regularly and are being tried out with a view to giving our young people a better education and to giving the greatest possible number of them the opportunity to develop their talents.

Particularly on this last point, there is no doubt that thousands of our young people get discouraged and drop out after a few failures when, in many cases, they are not to blame for such failures.

I think especially of the many failures, and I do not believe they are restricted to some colleges I know. In many cases, the numerous failures in high school mathematics and in other subjects are disastrous because of the inevitable consequences they entail. Students who have failed lose heart and give up the studies they could have pursued if more appropriate methods had been used.

However, I fail to see the advisability or the necessity for the federal government itself to establish such a central co-ordination office. I agree that there should be a certain reorganization of the financing provided by various departments of the federal government, but as concerns this research centre, if I understood the hon. member correctly, it would be a sort of centre where the principal organizations, the principal associations, the principal institutions of the country could pool their findings and exchange and co-ordinate research on such findings. I agree that it should exist. But why should the government assume the responsibility for such a centre, when, if my information is correct, a Canada Council for research on education was established two or three years ago.

I think that the work of the Canada Council, which might be given a little more freedom, should have the kind of financing that would allow it to carry on with the work already under way.

I am of the opinion that this council, in co-operation with various teachers, parent-teachers and even students associations, with specialized professors in contact with the Quebec planning bureau or the Ontario institute for studies on education and other provincial organizations, could ensure co-ordination and enable everyone involved to get information.

I believe the federal government already has enough, if not too much authority, in the field of education. We could go on discussing

and arguing for a long time on the constitutional aspects of education.

Nevertheless, specially for Quebec, I am convinced every possible effort should be continued to establish a system undergoing daily changes and Quebec's privileges should be jealously guarded, for they are largely the guarantee of the French Canadian people.

[*English*]

Mr. Enns: Mr. Speaker, would the hon. member permit a question?

• (5:50 p.m.)

[*Translation*]

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

Mr. Laverdière: Yes, Mr. Speaker.

[*English*]

Mr. Enns: Mr. Speaker, I listened with great care to the hon. member's remarks about the federal government entering the field of education. I am wondering whether the intent of the resolution really would harm provincial rights. I ask the hon. member whether the suggestion that the federal government establish a federal office of education and provide leadership in this field would not enhance the position of provincial governments with regard to education and would not really create any threat to the provinces.

[*Translation*]

Mr. Laverdière: Mr. Speaker, to answer my hon. friend, I do not think it is necessary, in fact I would not say that I fear new interference from the federal government in the field of education, but I do not see why the central government should deal with a particular field when there already exist associations and organizations which can undertake the work apparently referred to in this motion.

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I see that I shall not have time to give my full views on the resolution put before the house, but I must say that I am opposed to the spirit and to a great deal of the letter of this motion.

[*English*]

THE ROYAL ASSENT

A message was delivered by Major C. R. Lamoureux, 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 a certain bill:

An Act to extend the time for consideration of objections pursuant to section 20 of the Electoral Boundaries Readjustment Act with respect to the reports of commissions established for the decennial census taken in the year 1961.

BUSINESS OF THE HOUSE

Mr. Knowles: I wonder if the house leader could tell us what department we will take up next if we were to finish Justice tomorrow?

Mr. McIlraith: I hope the hon. member meant the word "when" instead of "if", when he was asking the question. When the Justice estimates are finished, we would expect tomorrow to call the Departments of Fisheries and Veterans Affairs.

Mr. Knowles: The minister can hope.

It being five minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

DEPARTMENT OF NATIONAL DEFENCE

Defence services—

15. Operation and maintenance and construction or acquisition of buildings, works, land and major equipment for the Royal Canadian Navy, the Canadian Army and the Royal Canadian Air Force and $1,850,000 for grants to the town of Oromocto, $1,382,244,000.

Defence research and development—

Defence research board—

20. Operation and maintenance, $27,153,000.

25. Construction or acquisition of buildings, works, land and equipment, $5,569,000.

30. To foster defence research in Canadian industry by supporting selected defence applied research programs, on terms and conditions approved by the Treasury Board, $5,788,000.

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, $2,990,000.

40. Development, $21,640,000.

40d. Development, $9,300,000.

Supply—Items Passed

Mutual aid—

45. Contributions to infrastructure and the military costs of the North Atlantic Treaty Organizations 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 $32,050,000 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 $7,425,000 and provided by appropriations for those forces in the current and former years in respect of which, notwithstanding sub-section (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, $24,625,000.

General—

48. To authorize, notwithstanding the Financial Administration Act and section 11 of the Surplus Crown Assets Act, the payment into a special account in the Consolidated Revenue Fund of: (a) all revenues received during the current and subsequent fiscal years from the sale of surplus materials, supplies and equipment, and (b) revenues received during the current and subsequent fiscal years from the sale during the current fiscal year of surplus buildings, works and land not exceeding an aggregate amount of $5,000,000, and expenditures from the special account during the current and subsequent fiscal years, subject to the approval of Treasury Board, for any of the purposes of the Department of National Defence, $1.

Pensions and other benefits—

50. Civil pensions 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 dependents of amounts equal to the amounts such dependents 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 dependents 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, $7,153.

50d. Civil pensions as detailed in the estimates. $193.

National defence—

L30. To authorize in the current and subsequent fiscal years, under such terms and conditions as the governor in council prescribes, a capital assistance loan to the town of Oromocto, New Brunswick, to be covered by town debentures, for the purpose of assisting in completion of the physical development of municipal works and the further development of the Town's assets, $150,000.

L30b. To authorize in the current and subsequent fiscal years, under such terms and conditions as the Governor in Council prescribes, a capital assistance loan to the town of Oromocto, New Brunswick, to be covered by town debentures, for the purpose of assisting in the completion of the physical development of municipal works and the further development of the town's assets, $400,000.

HOUSE OF COMMONS

Thursday, February 24, 1966

The house met at 3 p.m.

PARLIAMENTARY RESTAURANT

MOTION FOR APPOINTMENT OF JOINT COMMITTEE

On the order: Government notices of motion:

February 22—The Minister of Public Works—The following proposed motion—That a joint committee of the Senate and House of Commons be appointed respecting the parliamentary restaurant:

That twenty five members of the House of Commons, to be designated at a later date, act on behalf of this house as members of the said committee and report from time to time, and that standing order 67 (1) be suspended in relation thereto; and

That a message be sent to the Senate acquainting their Honours thereof.

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.

EXTERNAL AFFAIRS

GHANA—REPORTED OVERTHROW OF GOVERNMENT BY MILITARY FORCES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I regret that I was unable to communicate with the Prime Minister in this regard; I had no information on the matter until we arrived back here a few minutes ago. Has the Prime Minister anything to say regarding the coup in Ghana involving the overthrow of the Nkrumah administration; and what is the position in that country of the 100 or so Canadians who usually live there?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, as my right hon. friend knows I have had only a few moments to look at the overnight telegrams, but I did examine this particular one. While it is not definitive, in that there may have been developments since this message was sent, it did indicate that there was a military coup early in the morning; that there was some firing which went on for a comparatively short time, then Accra became calm.

What will be the further course of the move against the government, of course, I do not know at the present time. It seems to have been a military revolt against the existing government. The disturbances have been short and were reduced to a minimum, according to the message I received.

With regard to the position of the Canadians in Accra, we are told that at the present time there is no cause for anxiety. There are a good many Canadians there, but the information I have at the moment indicates that they were not in any danger of any kind. I will be glad to keep the house and my right hon. friend informed of events as they occur.

Mr. Diefenbaker: I know the Prime Minister did not have time to look into this matter, Mr. Speaker, but at the same time I should like to ask a question which I think is uppermost in the minds of many Canadians, and it is this. What is the basis upon which recognition is granted of an insurgent group that takes over government in this way? What length of time is usually allowed to elapse before a government ceases to exist diplomatically, and recognition is given to an incoming government? Is this insurrection and the ousting of the Nkrumah government of such a nature that early recognition may be expected?

Mr. Pearson: Mr. Speaker, it is not easy or wise to be dogmatic in regard to the conditions which warrant recognition after a government has been overthrown. It depends, of course, on circumstances. Sometimes the new government is given recognition very quickly, as in the case of Nigeria a few weeks ago. At other times we have waited. A most important consideration is whether the new regime seems to be in control of the country, a control which is at least tacitly admitted by the country's people in so far as this can be ascertained.

Another consideration is that we should get in touch at once with our friends, and especially with our friends in the commonwealth, to see if they have information that we have not got. Very often we act in concert in these matters.

I do not think I can add anything more at the present time, Mr. Speaker. There have

been occasions, and I think that the instance of Nigeria was one of these occasions, when we in this country gave no formal recognition but just carried on under the assumption that there had been a change of government, there might not be the kind of revolution which required formal recognition.

I am not sure whether that is the situation which will apply to Ghana. In the Nigerian situation we acted in concert with other commonwealth governments, which took the same attitude we did, that no formal recognition of the new regime was required.

Mr. Diefenbaker: That was the reason for the question. I wondered whether a new rule had evolved within the commonwealth by which, where an insurrection takes place and a change of government results, the course is no longer followed of recognizing the new regime but rather of regarding it merely as a continuation of the one that was in power at the time of the overthrow.

Mr. Pearson: Such a development, Mr. Speaker, might become a kind of normal attitude inside the commonwealth. It has not always been the case. I think in respect of Zanzibar there was formal recognition of the change. Whether that applies to Ghana I cannot say, because I think it is too soon after the event to know exactly what will happen.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, may I direct a question to the right hon. Prime Minister or to the hon. Secretary of State for External Affairs and ask if there is any word about the situation in Uganda that might clear up rumours we have heard, and that might also clear up rumours relating to the well-being of Canadian citizens there.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, as the Prime Minister has indicated the word we have received from our high commissioner is that according to present reports the safety of Canadians is not in question.

Some hon. Members: Uganda. The question was about Uganda.

Mr. Martin (Essex East): I beg your pardon, Mr. Speaker. I thought the question was about the safety of Canadians—

Mr. Thompson: In Uganda, about which rumours are rampant today.

Mr. Churchill: That is a country in Africa.

Mr. Martin (Essex East): Mr. Speaker, I think the wise course would be to wait and see whether those rumours have any foundation in fact.

[Mr. Pearson.]

Hon. Gordon Churchill (Winnipeg South Centre): I should like to direct a question to the Secretary of State for External Affairs concerning the country of Ghana on the west coast of Africa. Would the minister inform us how many Canadian service personnel are in that country for the purpose of training the Ghanaian army, and whether or not these men might now be recalled?

Mr. Martin (Essex East): There are 19 personnel there; three R.C.A.F. officers, 14 army officers and two N.C.O.'s, who assist in a training program. In the formal agreement between Canada and Ghana which defines the functions of the team it is stipulated that the members of the team will in no circumstances, of course, become involved in operational roles of a police or military nature. We shall have to consider in the light of events whether or not they should be recalled.

[*Later:*]

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I have a question for the Minister of National Defence. In view of the situation now existing in Ghana have any fresh instructions been sent to the Canadian military personnel there, in particular as to whether they are to continue their normal training activities with the Ghanaian armed forces; or have they been instructed to suspend this in the meantime?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, there has been no change in the instructions they have received.

Mr. Harkness: Mr. Speaker, I have a supplementary question I should like to direct to the Minister of National Defence which is consequent upon the answer he gave to a question I asked a moment ago. Does he not think that it would be desirable to send instructions to the Canadian military personnel in Ghana to suspend their ordinary training duties in association with the Ghanaian forces until the present situation has cleared itself?

Mr. Hellyer: Mr. Speaker, I think we should first find out what the facts are. As soon as we have received a report this will be discussed with the Department of External Affairs, which really is responsible for financing these training operations in countries other than NATO countries.

TRANSPORT

U.S. CUSTOMS REGULATIONS RESPECTING BOX CARS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of Transport and ask him whether there have been any recent changes in United States customs regulations which would further aggravate the present disparity between the large numbers of Canadian box cars in the United States compared with the numbers of United States box cars in Canada.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, the hon. gentleman was good enough to give me notice of this question. Early last week I learned that the United States customs had approved the suspension until March 1 of normal customs duty requirements in the use of Canadian box cars for the handling of paper products originated by two shippers at Plattsburg, New York. I took immediate steps to draw the unfavourable aspects of this matter to the attention of the United States authorities, and I am very glad to say that this arrangement operated for only one day. I could give a more detailed answer, but I think that that perhaps might suffice.

Mr. Douglas: A supplementary question, Mr. Speaker. May I ask the minister whether any representations are being made to the government of the United States to rectify the great disparity between the numbers of Canadian box cars in the United States and the numbers of United States box cars in Canada, which disparity for some time has been running at a ratio of almost three to one against Canada.

Mr. Pickersgill: Of course, Mr. Speaker, the United States railways are not under the direct control of the United States government. I understand that constant conversations are going on about this between the Association of American Railroads, as I think they are called over there, and our railways. I may say that the American Association of Railroads itself took action against this suspension, which was applied for by one railroad in the United States.

WATER RESOURCES

GREAT LAKES—DISCUSSIONS WITH U.S. RESPECTING ANTI-POLLUTION MEASURES

On the orders of the day:

Hon. E. D. Fulton (Kamloops): I should like to direct a question to the Secretary of State for External Affairs. In the light of the announcement made yesterday evening by the President of the United States of a major anti-pollution campaign in that country, is the minister giving consideration to discussing immediately with the United States government co-operative measures to clean up the pollution of the great lakes with special reference to lake Erie, and accelerating action on this problem in relation to the program announced by the President of the United States yesterday.

Hon. Paul Martin (Secretary of State for External Affairs): I think I dealt with part of this question some days ago when it was indicated that the International Joint Commission had made an interim report with regard to pollution particularly in lake Erie, and that the recommendations of the commission were now before the governments of the United States and Canada.

In this connection my colleague more particularly concerned with natural resources did make a statement in the house.

Mr. Fulton: I am sorry; I did not hear that.

Mr. Martin (Essex East): With respect to the position the government of Canada would take, my colleague did make a statement in answer to a question put to him, I believe, by the hon. member for Parry Sound-Muskoka.

Mr. Fulton: My question related primarily to the announcement reported last evening and in this morning's papers, the anti-pollution program announced by the President of the United States. What is the relationship between that program and the problem of pollution in the great lakes? Perhaps the minister concerned could tell us something about that.

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): I am meeting this afternoon with Mr. Heeney, the Canadian chairman of the International Joint Commission, and this subject will be brought up.

HEALTH AND WELFARE

ONTARIO—LEVELS OF PESTICIDES IN MILK

On the orders of the day:

Mr. David Lewis (York South): I should like to direct a question either to the Minister of National Health and Welfare or to the Minister of Agriculture depending on which of them deals with this matter. I may say I gave both hon. gentlemen notice of this question.

Inquiries of the Ministry

Has the minister concerned or his department received reports of surveys made to determine whether the level of dieldrin or other pesticides in milk supplies has reached dangerous proportions in certain areas of Ontario; and if so, have the contents of such reports been communicated to the Ontario Department of Health?

Hon. A. J. MacEachen (Minister of National Health and Welfare): In a continuing survey of pesticide residues in food products, the laboratories of the food and drug directorate of my department have found detectable amounts of pesticides in milk from certain areas in Ontario. The levels are not, however, considered to be dangerous. The Ontario departments of health and agriculture have been consulted with regard to the results of these sample surveys.

HOUSE OF COMMONS

REPORTED THREAT TO MEMBER AND BOMB SCARE

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): I have a question for the Minister of Justice. In view of a report that a member of the House of Commons has been threatened, and in view of a report in the press of a bomb scare in the building this morning, may I ask whether the minister has been made aware of these things and whether he has taken appropriate action?

Hon. Lucien Cardin (Minister of Justice): Mr. Speaker, I have not been made aware of this. It is possible that investigations such as the one referred to by the hon. member would be carried out by the R.C.M.P., and this comes under the Solicitor General.

Mr. Winkler: As a supplementary, Mr. Speaker, may I place the question before the Solicitor General.

Mr. Diefenbaker: It is hard to know what is the division of responsibility over there.

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I have discussed the rumour with officials of the R.C.M.P. and I am satisfied they will take the appropriate action.

ADMINISTRATION OF JUSTICE

MONTREAL—INVESTIGATION INTO DEATH OF LAWYER

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I wish to direct a question to the Minister of Justice whose department, I think, deals with bankruptcy matters. Is his department prepared to ask for an investigation into the death of François Payette, who apparently is the eighth victim of gangland in reference to corrupt bankruptcies?

Mr. Speaker: Order, please. It seems to me the hon. member is making an allegation of facts. This question was asked yesterday and it was considered it was not so urgent that it should not be placed on the order paper. In view of the fact that the estimates of the Department of Justice will be under consideration I shortly suggest we should do the same thing today.

Mr. Woolliams: Then may I put the question a little differently. I think it is a question of national importance when already eight Canadians have met their death—

Mr. Speaker: Order. It is not a matter of the importance of the question. It is the matter of urgency in putting the question at this time.

Mr. Woolliams: Well, Mr. Speaker, on a point of order, surely the protection of the lives of Canadians is of national importance. We have already had eight murders in this country, and if this is not of national importance and urgency then there never was a question of importance and urgency.

Mr. Speaker: I agree with the hon. member that it is very important, but as I told him that is not the issue at all. It is a matter of the urgency in asking the question, and I suggest to the hon. member that this very important question could be asked in a regular way in a very few minutes during consideration of the departmental estimates. It would be a more appropriate time to ask it then.

Mr. Woolliams: Then I shall pose my question this way. Is the Minister of Justice prepared to have an investigation in this regard?

Mr. Speaker: Order, please. Perhaps the hon. member might ask that question a little later on. I do not want to obstruct this type of questioning but it seems to me, when the estimates of the department will be before the committee in just a few minutes, the question might be asked then. In fact I would ask the hon. member to put the question then.

Mr. Woolliams: I will.

NATIONAL DEFENCE

HEALTH AND MORALE OF NAVAL PERSONNEL IN BRAZILIAN WATERS

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Can the minister give the house any information as to the conditions and situation on the R.C.N. vessel *Cape Scott*, now in Brazilian waters, about which there are reports that due to this vessel not being equipped for hot weather, temperatures below deck are 140 degrees, with consequent effects on the health and morale of the crew? At the same time could the minister inform us whether there have been any deaths on R.C.N. ships presently in the Brazilian area and, if so, what are the causes?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I did have some information in respect to this matter the other day. I do not have it with me now, so perhaps I could take the question as notice or it could be put on the order paper.

LABOUR CONDITIONS

REPORTED STATEMENT RESPECTING RETIREMENT AGE IN INDUSTRY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Citizenship and Immigration. My question is based on a radio report given to the people of Kootenay East by the parliamentary secretary to the Minister of Transport. I am informed that the parliamentary secretary advocated that persons working in industry should have the opportunity to continue working until age 67. Would the minister inform the house if this represents government policy?

Mr. Speaker: Order, please. I suggest this question might be placed on the order paper. I do not think it is the type of question that should be asked at this time.

FINANCE

SUGGESTED ESTABLISHMENT OF CANADIAN GUIDE LINES

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I would like to direct a question to the Minister of Finance with reference to the written answer given yesterday to the hon. member for Sherbrooke (Mr. Allard). In this study that is going on has the minister or the government considered putting out guide lines for Canadian businesses operating in the United States, and guide lines for subsidiaries of U.S. business operating in Canada?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, all of these matters have been given very careful consideration. I am sure the hon. member wants me to go further than that, but at the present time I am not disposed to do so.

Mr. Hamilton: Mr. Speaker, I wonder if I might ask a supplementary for clarification. The question I asked was, has the minister considered this? Could I get a yes or no answer?

Mr. Sharp: Yes, Mr. Speaker, all these matters are receiving very careful consideration by the government.

[*Translation*]

IMMIGRATION

RESTRICTIONS ON CANADIAN WORKERS ENTERING U.S.

On the orders of the day:

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I should like to put a question either to the Minister of External Affairs or the Minister of Citizenship and Immigration. I believe I shall ask the latter.

Has the minister received any correspondence from the American government concerning the new American restrictions and requirements with regard to Canadians who wish to go and work in the United States? If so, would the minister be willing to table that correspondence?

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, I have received no correspondence from the American government, but have received some from the American consul here in Ottawa. It is true that since last December the American government requires employers to fill out a special form. I have no objection to tabling that correspondence and I shall surely do so.

Inquiries of the Ministry

[*English*]

AGRICULTURE

FEDERAL SUPPORT FOR FARM SAFETY ORGANIZATION

On the orders of the day:

Mr. P. V. Noble (Grey North): Mr. Speaker, I would like to ask the Minister of National Health and Welfare whether there is any farm safety organization in Canada supported by the federal government.

Mr. Speaker: It is the opinion of the Chair that this question should be placed on the order paper.

Mr. Noble: Mr. Speaker, this is supplementary. I think this is an important question and we should have an answer to it.

Mr. Speaker: I realize it is important in the view of the hon. member, and if he thinks it is a matter of urgency he has the recourse of discussing it in the adjournment debate.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO EXTENSION TO FARM LABOUR

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I have a question of urgency which I would like to direct to the Minister of Labour. I am informed by farmers and persons in agriculture that there is going to be a terrific shortage of farm labour this spring, and they attribute this to the fact that farm labour is not covered by unemployment insurance. Will the minister look into this serious problem?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I gave an answer to the question to the hon. gentleman a few weeks ago. The matter is still being studied and as soon as we have anything to announce, since it involves government policy, it will be announced.

Mr. Rapp: Will that be before spring?

HEALTH AND WELFARE

BRITISH COLUMBIA—ASSISTANCE IN VIRUS PNEUMONIA EPIDEMIC

On the orders of the day:

Mr. D. W. Groos (Victoria (B.C.)): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Are the officials of the Department of National Health and Welfare keeping a close watch on the virus pneumonia epidemic which has been assuming alarming proportions in British Columbia? Two more deaths among school children were announced today. Would the department look into this matter with a view to giving federal assistance, possibly in the form of a crash immunization program; or has the minister something to say on this?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I will be glad to discuss the problem with my officials and give an answer to the hon. gentleman later.

EXTERNAL AFFAIRS

ZAMBIA—SUGGESTED CANADIAN WITHDRAWAL FROM OIL AIRLIFT

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): In view of the substantial cost to Canadians of the oil lift into Zambia, and in view of the fact that the commonwealth committee studying these sanctions in London yesterday, or some of the countries on that committee, questioned the effectiveness of the oil sanctions, I would like to ask whether the Canadian government is considering withdrawing from this obligation; because at least in the minds of some countries it is a useless expense.

Hon. Paul Martin (Secretary of State for External Affairs): No, Mr. Speaker.

VIET NAM—REQUEST FOR PERMISSION TO SEND CANADIAN VOLUNTEERS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I presume the proper minister to whom I should direct this question would be the Secretary of State for External Affairs. I would ask him whether he and the Prime Minister have received communications in the last couple of days from an organization in Toronto, which states it has national connections, asking what is the attitude of the government of Canada regarding the voluntary enlistment in Canada of a corps for service in Viet Nam, serving under the aegis of the United States and under United States regulations.

What is the attitude of the government of Canada toward such a proposition?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, a Mr. Mitchell wrote to the Prime Minister and a Mr. Echlin to me about a month ago with regard to a proposition in the general terms stated by the Leader of the Opposition. We sought the opinion of the law officers of the Crown, who advised that under the Foreign Enlistment Act such a proposal would appear to be incompatible with the laws of Canada.

Mr. Diefenbaker: Mr. Speaker, I should like to ask whether the minister or the Prime

Minister have replied to the letter in question and advised this individual regarding the Foreign Enlistment Act.

Mr. Martin (Essex East): Mr. Speaker, I think the reply on behalf of the Prime Minister was sent the day before yesterday and on behalf of myself yesterday.

Mr. Diefenbaker: Mr. Speaker, may I ask another question arising out of the answer given by the Secretary of State for External Affairs. In view of the fact that the formation of such a corps or body would be incompatible with the Foreign Enlistment Act, does the minister suggest that anyone so enlisting, in view of that incompatibility, would thereby lose his Canadian citizenship?

Mr. Speaker: Order, please. It seems to me that the right hon. Leader of the Opposition is asking for an interpretation of the statute.

Mr. Diefenbaker: Mr. Speaker, may I just speak to a point of order? The minister made reference to the Foreign Enlistment Act and said a legal opinion had been obtained, as I understand it, from the law officers of the crown. It is only because he advanced the concept of the law officers' opinion that was given that I asked what I believe to be a perfectly reasonable question. If it is merely incompatible and not inconsistent with Canadian citizenship, what authority has the government to step in?

Mr. Martin (Essex East): Mr. Speaker, so there can be no doubt about this matter, let me say that the suggestion my right hon. friend made may involve a further argument justifying the legal opinion, but the fact is that the Foreign Enlistment Act does not deal with the question of citizenship at all.

Mr. Diefenbaker: I know that.

Mr. Martin (Essex East): The legal officers of the crown have advised that such a plan would appear to be contrary to the Foreign Enlistment Act. It may be that on examination of the citizenship act we would have a further argument in support of the position taken, but my impression is that the citizenship act does not necessarily deal with this situation.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a supplementary question to those asked on this subject which I wish to direct to the Secretary of State for External Affairs or the Minister of Justice. What is the present status of the many Canadians who are already serving with the United States armed forces, some of them in Viet Nam?

Mr. Martin (Essex East): Well, this is a free country.

Mr. Diefenbaker: I thought the Foreign Enlistment Act prevented that.

Mr. Martin (Essex East): No.

[*Translation*]

AGRICULTURE

ESTABLISHMENT OF EASTERN FEED GRAIN AGENCY

On the orders of the day:

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I should like to put a question to the Minister of Agriculture (Mr. Greene). Could the minister inform the house whether a feed grain board for eastern Canada has been or is being established in compliance with the request of eastern farmers?

Mr. Speaker: I do not think this question is so urgent as to preclude its being put on the order paper.

[*English*]

LABOUR RELATIONS

MEETING WITH DELEGATION FROM FISHERMEN AND ALLIED WORKERS UNION

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to direct my question to the Minister of Transport. Will the minister indicate whether he has met with the delegation of the United Fishermen and Allied Workers union which is currently in Ottawa to discuss those matters of public concern affecting that area of policy which falls within the responsibility of the Minister of Transport?

Hon. J. W. Pickersgill (Minister of Transport): I have not met with them up to the present time, Mr. Speaker.

Mr. Barnett: Will the minister meet with that delegation of the fishermen's union while they are here in Ottawa?

Mr. Pickersgill: I am giving that consideration.

Mr. Barnett: I have a further supplementary question. In view of the fact that the delegation will not be remaining in Ottawa indefinitely, can the minister tell us when his consideration as to whether he will meet with them will be completed?

Mr. Speaker: Order, please. That question has already been put to the minister and answered.

Inquiries of the Ministry

GRAIN

WHEAT—INQUIRY AS TO DATE OF FINAL PAYMENT

On the orders of the day:

Mr. Lawrence Watson (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Finance asking him whether he has any information as to when the final payments through the wheat board will be announced, and what the amounts might be?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the order in council is being approved today and the announcement will be made tomorrow.

FARM MACHINERY

INCREASED PROFITS BY MASSEY-FERGUSON COMPANY

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is directed to the Minister of Agriculture. Will the announcement that accompanied the statement about increased profits by Massey-Ferguson Limited, to the effect that the company is forbidden by the securities and exchange commission in the United States to discuss reasons for the profit jump, prevent the agriculture committee from obtaining the full facts on farm machinery price increases when this matter is referred to that committee?

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

ATLANTIC DEVELOPMENT BOARD

INQUIRY AS TO ADDITIONAL ASSISTANCE TO MARITIMES

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a question for the Minister of Transport with respect to the Atlantic Development Board. In view of the recently disclosed action regarding the exclusion of four cities from the industrial incentives plan, can the minister say whether this matter of additional assistance is officially before the Atlantic Development Board? If it is not, should the cities formally apply on their own behalf?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I am not sure that that question is really capable of the kind of answer it would be in order to give on orders of the day, because it would involve a long and detailed statement. Perhaps the hon. gentleman could find some opportunity for discussion with me about it.

[Mr. Speaker.]

Mr. Bell (Saint John-Albert): I will try at ten o'clock, Mr. Speaker, because the government has been stalling long enough on this matter.

HIGHWAY SAFETY

CONSIDERATION BY COMMITTEE OF PROPOSED LEGISLATION

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question I should like to ask the Prime Minister. Bearing in mind the number of bills and resolutions currently on the order paper relating to a reduction in the very heavy toll of deaths and property damage from traffic accidents, will the Prime Minister consider referring these proposals either to a special committee, as was done in the case of divorce proposals, or to the justice committee?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I shall be glad to consider that suggestion with the house leader.

[*Translation*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I should like to direct a question to the Prime Minister.

Could he tell the house whether the opinion voiced last night, on the Pierre Burton program, by his Parliamentary Secretary, the hon. member for Mount Royal, against a special status for Quebec, represents his opinion?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, everything I hear affects my thoughts, but I did not hear this program.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I put a supplementary question?

Could the right hon. Prime Minister tell us if the opinion expressed on this same program to the effect that the President of the Privy Council should leave the cabinet also reflects his way of thinking?

Mr. Speaker: That question is also out of order.

[*English*]

OLD AGE ASSISTANCE

REQUEST FOR AMENDMENT TO INCREASE ALLOWABLE INCOME

On the orders of the day:

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, my question is for the hon. Minister of National Health and Welfare. The Old Age Assistance Act states that to qualify for assistance the combined annual income of husband and wife must not exceed the sum of $2,220, assistance included. Will the government amend this act to increase the allowable income figure to a sum in keeping with the rapid rise in the cost of living?

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

NORTHERN AFFAIRS

RECOMMENDATION RESPECTING INDIAN AND ESKIMO RIGHTS COMMISSION

On the orders of the say:

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, on Tuesday last the hon. member for Yukon asked me a question as to our intentions with regard to a purported resolution of the Indian and Métis Association of Canada in annual convention. I have to tell the hon. member that as yet we have received no resolution from this organization.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Minister of Finance whether he can tell us when he will be bringing down the budget?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, it seems a little premature, in view of the progress that has been made in the house, for me to make a statement of that nature at this time. But may I say that I hope it will be earlier rather than later.

Mr. Knowles: A supplementary question, Mr. Speaker. Earlier rather than later in what month?

[*Translation*]

WINTER WORKS

REQUEST FOR EXTENSION OF PERIOD

On the orders of the day:

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, the day before yesterday, the hon. member for Mégantic (Mr. Langlois) asked me if I had received communications from various municipalities requesting an extension of the period during which winter projects may be carried out under the winter works legislation.

I wish to inform him that I did receive such requests.

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I should like to ask a supplementary question.

Is it the minister's intention to accede to those requests by granting the extension asked by the municipalities?

Mr. Marchand: Mr. Speaker, the winter works program is being amended constantly in keeping with changing realities. Such requests will be taken into consideration in the study of that program.

[*English*]

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to ask the minister a supplementary question. If the Canadian Expo was to be incorporated into a municipality, could it take advantage of the winter works program to assist it financially?

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

SUPPLY

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

DEPARTMENT OF JUSTICE

Legal and other services—

1. Administration including the office of the superintendent of bankruptcy, grants and contributions as detailed in the estimates, gratuities to the widows or such dependents as may be approved by treasury board of judges who die while in office and authority to make recoverable advances for the administration of justice on behalf of the governments of the Northwest Territories and the Yukon Territory, $2,504,300.

The Chairman: Order. House again in committee of supply, estimates of the Department of Justice for the fiscal year ending March 31, 1966, vote No. 1. Shall vote No. 1 carry?

Mr. Woolliams: Mr. Chairman, I realize that another member has the floor, but if he would yield the floor and allow me merely to ask a question it might assist the hon. member in this debate.

Yesterday I asked the Minister of Justice whether when we were dealing with these estimates, because these are the old estimates, we could deal with all those matters that came within his jurisdiction. I have read what the minister said but we on this side of the chamber are in a quandary still because there seems to be some divisive confusion—I mean that in a nice way—in this respect. Because of the changes in the minister's department, can we now discuss all three branches of the department under these estimates?

Mr. Cardin: Yes, Mr. Chairman.

Mr. Woolliams: That is what we want to clear up.

[*Translation*]

Mr. Grégoire: Mr. Chairman, while we were considering the estimates of the Department of Justice, I noted yesterday that the debate took a rather strange turn after the statement made by the Prime Minister about the Spencer case in Vancouver.

I do not really intend to go into that matter. It is a rather special case. I heard the argument made by the hon. member for Bow River (Mr. Woolliams), but all the evidence seemed based on newspaper articles. If that is enough to make a case stick, then I could spend half an hour reading newspaper articles to come to the conclusion that some Conservatives should be in a psychiatric ward. With newspaper articles one can prove anything. I also heard, on that matter, the statements made by the hon. member for Burnaby-Coquitlam (Mr. Douglas), which had some rather pathetic overtones. I think that this man lived in his province. I wonder if efforts were made to meet him, to see him personally. There is something shameful about that matter.

• (3:50 p.m.)

The hon. member for Burnaby-Coquitlam (Mr. Douglas) took the trouble of saying he had not met him but that he knew the member for Vancouver East (Mr. Winch) who knew Spencer, a little in the style of the man who saw the man who saw the bear; but there again that is not first hand information.

[The Chairman.]

In any event before committing ourselves in this connection, we would prefer additional information, provided of course the government had any to give. We would prefer to await further developments.

There is another point I would like to mention and draw to the attention of the Minister of Justice. During the last general election, it was alleged that the former member for Quebec-Montmorency had gone into a Montreal restaurant with two other individuals, purported to be R.C.M.P. officers, in order to extort from the owner affidavits and statements to the effect that a wealthy Newfoundland manufacturer had tried to bribe certain members of parliament.

At that time, I got in touch with the Minister of Justice and asked him whether it was a fact that two individuals had tried, under false representations or with R.C.M.P. identification cards, to obtain affidavits or statements from a Montreal restaurant owner.

I think that the minister made an investigation; I have not had the opportunity since then to ask him if he had any information to give us, but I would like to know if it is true that one of the two individuals with Dr. Marcoux in a restaurant was a former executive secretary of a former Conservative minister—it would be a former minister of justice—who would have had in his possession a card identifying him as a member of the R.C.M.P., although not a member of the R.C.M.P., and who would have used that card to get statements from a restaurant owner in Montreal, under false representations?

That is an answer I would like to get from the minister. Did he make an investigation in that case? Is it true that two individuals pretended to be members of the R.C.M.P., whereas they had no right to do that, since they were not members of the R.C.M.P.?

Second, was Dr. Marcoux present when those individuals appeared? We suspect that he was present. At that time, was he party to those false representations?

Could the minister also tell us how it is that an individual, a former executive secretary of a former Conservative minister of justice, had an R.C.M.P. identification card? Where did he get it? Who had given it to him? With whose collusion did he manage to have such a card?

Mr. Chairman, the Minister of Justice will agree with me that if anyone can now obtain cards of the R.C.M.P.—which is nevertheless a respectable police corps—and can with the influence of a member of this police corps,

attempt to browbeat a person into giving statements or affidavits, I think this is really a flagrant breach of R.C.M.P. regulations.

Has the minister launched an investigation in this connection? Can he tell us what action has been taken, if some people are responsible or guilty? Does the minister know who they are? Can he tell whether there are any accomplices? Can the minister tell us whether legal action was taken against these people? How could these people obtain R.C.M.P. cards?

I believe this is a series of questions I should like to ask and I hope the minister is in a position not only to make a statement but also supply the information.

Mr. Chairman, I will not labour the point.

I think if my questions are answered, the minister will have cleared the mystery by giving us the information we are seeking today.

Now, Mr. Chairman, before sitting down, there are other points on which I have a few words to say. I know that the question was asked on orders of the day, but it is more difficult for the minister to answer during question time than during the study of his estimates. That is why I wish to repeat the question: Would the Minister of Justice see whether the legislation on trusts and investments should not be revised so as to determine whether the owners of the National Hockey League did not infringe the law when they decided, somewhat arbitrarily, to extend their circuit and particularly in the way in which this was done. The minister said that the law does not apply in the field of services.

But let us not forget that it is not necessarily a service that is provided here, because the wage-earner is not paid by the public but by the club owner. The people pay, not to get a service, but an admission ticket. They pay for merchandise in the form of tickets. Then the club owners use the gate receipts to pay the players. It is not a case of players providing a service to spectators, but one where spectators pay an admission fee and, before a sum of money is paid to those who provide the service, that is the hockey players, there are people in between who pay, not commission, but salaries to the players.

I think the people of Canada would welcome an inquiry into this matter, because hockey has always been Canada's national sport; it is a favourite with the people and they would like to enjoy it as much as the Americans, but out of 12 N.H.L. clubs, ten are located in American cities.

The minister could also make a statement about that and clear the matter up. He could try to find out whether there is some legislation under which the new developments that took place recently in the N.H.L. could be reconsidered.

In any case I should like to have a definite answer on the question I raised a moment ago, as to whether it is true that two individuals used R.C.M.P. identification cards to make false representations. Who were the accomplices? Who provided the cards? Is the Department of Justice instituting proceedings? What action does the department consider taking in this case?

Does the Minister of Justice intend to reply?

Mr. Cardin: Mr. Chairman, I took due note of the hon. member's questions.

With regard to the first point he raised, an investigation has actually been conducted. I believe the inquiries were completed a few days ago. I am now looking into the findings of the investigation, and I should be in a position, during the study of my estimates, to make a complete report on the events mentioned by the hon. member.

As to the second matter he referred to, this problem comes under the jurisdiction of the President of the Privy Council (Mr. Favreau). He is not here at the moment, but I will bring the grievances of the hon. member to his attention and I am sure he will want to reply.

Mr. Grégoire: Mr. Chairman, could the hon. Minister of Justice tell us whether one of the two individuals bearing R.C.M.P. cards, although they were not members of the force, was in fact a former executive secretary of a former minister of justice? Could he tell us who this former executive secretary was and for which minister he acted as executive secretary?

Mr. Cardin: Mr. Chairman, I think it would be better to make a complete and official statement after I have had time to refresh my memory and give as many details as possible in answer to the questions of the hon. member.

[*English*]

The Chairman: The hon. member for Peace River.

Mr. Baldwin: I understand, Mr. Chairman, that the hon. member for Bow River, who spoke first for our party yesterday, had not completed his general statement. I will have an opportunity to speak later.

Mr. Woolliams: I wish to thank the hon. member for Peace River and I hope that I am not being rude in asking for the floor. Yesterday, of course, we had two statements. We had a statement from the Minister of Justice and then we had a statement from the Prime Minister. I dealt yesterday particularly with the statement made by the Prime Minister. It did seem rather unusual that at the opening of discussion on these estimates we would have two statements, one from the Minister of Justice and one from the Prime Minister, and particularly that the Prime Minister should make a statement on these estimates.

We have dealt at some length with the Spencer case and I should now like to make a few general remarks with reference to the estimates. The first question has been answered with reference to the division of the department. We accept this fact but it has been somewhat difficult to determine who has jurisdiction over what. It does seem that under the present administration there has been, as I have already made reference, some divisive confusion about jurisdiction within the Department of Justice. I would hope that the minister will make a clear statement in that regard.

I would also say this. I wonder whether these hon. gentlemen have ever considered, since they feel there has to be legislation passed in order to set up the divisions, whether they really have the jurisdiction over certain matters which they claim to have. We would like to hear from the ministers, whether it be the Minister of Justice or the President of the Privy Council, under whose jurisdiction the administration of federal offences falls. I assume it would be the Minister of Justice. We should like to know also under whose jurisdiction the following items fall: National Parole Board, bankruptcy—I am going to have something to say about that in a few minutes—penitentiaries, the committee report on juvenile delinquency as well as the whole question of young offenders, and the Combines Investigation Act.

• (4:00 p.m.)

No one would underestimate the importance of the administration of justice. After all, the tentacles of justice must stretch into all federal departments to obtain good, sound, honest government with equitable administration.

Co-ordination has always been the important thing so far as I am concerned in the administration of justice. What we have in this administration, I repeat, is no co-ordination at all. What we have is divisive confusion. We on this side of the house do not know, parliament does not know, I do not think the government knows, nor do the people of Canada know, who is really Minister of Justice. As I say, there is divisive confusion. I have come to the conclusion that the Prime Minister, and I say this with respect, has run out of talent and is somewhat concerned, when he assigns a certain portfolio to a minister, whether he has confidence in him.

I used an illustration yesterday which I am going to use today, namely, the Canadian Wheat Board. This is an analogy which I shall come back to in so far as the Department of Justice is concerned. For years the Canadian Wheat Board was under the jurisdiction either of the Minister of Agriculture or of the Minister of Trade and Commerce. When the Prime Minister had to look for a new Minister of Agriculture and when he appointed a new Minister of Trade and Commerce he must have looked at both of them and said to himself: Neither of you has any administrative ability so far as the Wheat Board is concerned so I will leave that with the new Minister of Finance because he is the only man who seems to know anything about it.

Exactly the same sort of thing has happened with the Department of Justice. The Prime Minister probably said to himself: The Minister of Justice is a fine fellow but I do not know whether he can handle this or that phase. As a result, Mr. Chairman, we have divisive confusion and we cannot get any answers at all.

Yesterday I asked a question—this is an example of divisive confusion and it is why the Speaker and I seem to be at odds—which was ruled out of order by the Speaker. I knew I would be in difficulty when I asked another question today. But if there is a matter of importance in the nation today it is the question of crime, crime in high places and crime in other places. Its tentacles are creeping all through our society. I have heard the leader of our party and the hon. member for Yukon both say on many occasions something with which I am in full accord, that we should have an investigaton into crime in this nation. A royal commission should be set up.

We have just heard the hon. member for Lapointe talk about the Marcoux investigation. During the election Dr. Marcoux alleged that six members of the Creditistes had said

after the 1963 election that they were going to joint the Liberals and the Minister of Justice was asked to investigate the Dr. Marcoux affair. It was alleged, and I say alleged because I do not know the facts—

Mr. Langlois (Mégantic): Mr. Chairman, on a question of privilege, this matter is now sub judice. Therefore I do not think the hon. member for Bow River has the right to speak on it any more than anybody else in the house.

Mr. Woolliams: You know, Mr. Chairman, it is a funny thing to hear that voice coming from the background because the hon. member for Lapointe has just made a whole speech on the subject, and if he was out of order then his whole party was out of order.

An hon. Member: He is not even here now.

Mr. Woolliams: Of course not; he makes his speech and leaves. Well, I am not going to get into any argument; I am going to deal with the facts. What I was coming to, Mr. Chairman, was that certain charges were made by a former member of the House of Commons either during or before the last election. You will remember that parliament was dissolved because of an election, one which we did not call. I was always of the opinion that the reason parliament was dissolved was that the government were afraid to debate the report of the Dorion Commission. They called an election so they could sweep that under the carpet.

If I may return to the Marcoux matter, Mr. Chairman, Dr. Marcoux made some serious charges. He also made a serious charge against one of your own colleagues sitting on the front bench. But what did the Minister of Justice say? After all, he is Minister of Justice for the government. I am not saying that the decision he took was his personal decision; what I say is that it was the government's decision. I am also not making any personal attack on the minister. I know that he once made the same sort of attack on our leader but I am not going to attack him. Let me make it clear that I am attacking the administration of this department by the government.

When this matter was brought before the Minister of Justice he said that it was not a federal matter and swept it under the carpet. Surely when serious charges of bribery are made against members of parliament it is a matter for the federal government and the House of Commons.

Therefore I ask at the outset, what respect can the Canadian people or parliament have today for the administration of justice under a government which sweeps things like the Dr. Marcoux scandal under the carpet and which calls an election so that the matter cannot be debated? This affair is now a thing of the past. The government has also prevented debate on the Dorion report, which was a very serious report indeed.

What respect can the people of Canada have for the administration of justice when one considers the Rivard affair, how he escaped and how he was hustled off to the United States when finally found in Canada? We do not know whether a proper extradition hearing was held. What respect can the Canadian people have for the administration of justice in view of this kind of nonsense?

I would ask the Minister of Justice to walk along the streets and ask the people what they think of the administration of justice in this country. I tell the minister that respect has never been at a lower ebb at any previous period. Where are the Lapointes, the St. Laurents, the Fultons and the Flemings, men who gave respect to this department, men who were strong and could rise above political situations? What the government needs today is a Minister of Justice—again I say this not by way of criticism of the present minister—who can rise above narrow political expediency, one of the same class who have won respect in Great Britain and in our own country. We need a man who can make his own decisions respecting the administration of the law regardless of political expediency even though those decisions affect our Liberal friends, our Conservative friends or any friends we have.

I say that the administration of justice must rise above narrow parochialism and provincialism. But what respect for the administration of justice can the Canadian people have in view of the Marcoux affair, the Dorion report and the Rivard affair?

Let me come to another affair which almost adds comedy to the whole situation and which has reduced the administration of justice to its lowest level in our history. Let us consider the whole sordid affair in connection with Banks. He was charged and convicted. Then he was granted bail. The government said it was the judiciary who let him out on bail. Then for weeks we questioned the government regarding his whereabouts. But no one knew where he was. Today we pick up the

newspapers and find him living in an apartment in New York. Many of us know that at the present time there is documentation and evidence sufficient probably to lay another charge of an indictable offence against the same Hal Banks, one for which he could be extradicted and brought back to this country to stand trial. This would put him back into the situation in which he was before he escaped by jumping bail.

What would be the practical result, Mr. Chairman? If he were brought back he would immediately be placed in the penitentiary until his appeal was heard, and the charge could be heard with respect to which evidence is now available so as to determine his guilt or innocence. But I ask, what respect have the Canadian people for justice with the whole sordid Banks mess once more out in the open?

• (4:10 p.m.)

That is why I say to the minister, with the greatest respect, that we have crime in high and low places and we have gangsterism throughout the whole stream of society today. That is why the Minister of Justice is now reading about the lawyer, François Payette, who is the sixth or eighth victim of gang law with respect to corrupt bankruptcies.

An hon. Member: The eighth victim.

Mr. Woolliams: Thank you, the eighth victim with reference to corrupt bankruptcies. Let us have an investigation. Let us lay this thing out and find out what is going on in our nation. Let us set up a royal commission on crime to find out what is going on in the nation and clean up the whole mess. I repeat what respect can Canadians have for the administration of justice when all these things are analysed and taken together?

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

Mr. Woolliams: I always permit questions.

Mr. Lind: Would you include Atlantic Acceptance Corporation and British Mortgage and Trust in your investigation?

Mr. Woolliams: I would include everything. When we look into the administration of justice we find there is such a divisive state of confusion in the Department of Justice that we do not know where the responsibility for anything falls. We do not know whether a matter falls under the jurisdiction of the Solicitor General, under that of the Minister of Justice or under that of the President of the Privy Council. Three ministers now answer to parliament. When members of the House of Commons rise to ask questions they are invariably confused as to which minister is responsible for what.

If it was the intention of the government to divide the Department of Justice, why was legislation not brought in at the proper time? Why was the matter not dealt with properly so that hon. members could debate, analyse and diagnose the whole situation to see whether the move was for the good of the administration of justice? Instead of going ahead and saying, look, we are going to do this first and then we are going to bring in legislation to make legal what has been illegal all the time, why was that not done? That is the position at the present time with respect to the administration of justice.

I shall now go back to where I was before I was interrupted to answer a question. The best that we have had out of the government is that the Prime Minister has written to members of his cabinet and has said: There has been a little difficulty and you fellows had better be honest; you have got to be truthful and you have got to be good. The Prime Minister issued a code of ethics. What happened after that? We had a whole flock of resignations of cabinet ministers. Yesterday I said that there never was such a mortality rate among Canadian cabinet ministers in Canadian history. In fact, I said that all those who are backbenchers will be members of the Privy Council if they stay for a few months. Their appointment is inevitable because the government is running out of people to appoint. That is the situation today. This may seem like a comedy; of course it is a comedy.

Next I mention Rivard. Do you know what the average Canadian now says about him? He is saying: Who is watering the rink in Bordeau jail this year now that Rivard has gone? Mr. Chairman, that is reducing this most important department to a laughing stock, to a comedy. The situation is extremely serious. Crime has crept through the whole fabric of government and society and the government must take the responsibility for this. The government is responsible for the Department of Justice working out the problem with the attorneys general of the various provinces. If I refer to the Minister of Justice, I want to make it clear that I am not dealing with his department's officials. I know something about the department's officials and I think we are very fortunate to have the kind of staff that exists in that department.

Some hon. Members: Hear, hear.

Mr. Woolliams: The Minister of Justice has a good staff.

An hon. Member: He has got to use them.

Mr. Woolliams: Exactly. He has to use them to create the image and show that he means business. Then he will be able to clean up crime in this country. The whole administration is at a very low ebb. I hope the Minister of Justice will deal with the situation with responsibility and I hope he will deal with any irresponsibility which has been the cause of the situation for the last three years in the department.

Mr. Choquette: I have a short question. May I ask it?

Mr. Woolliams: Certainly, if it is not going to be on the suggestion of a republic.

Mr. Choquette: Mr. President—

Mr. Fulton: Mr. President? This is not a republic.

Mr. Choquette: Mr. Chairman, I want to ask the hon. member whether he is aware of the fact that Dr. Marcoux is not taken seriously anywhere and that Dr. Marcoux lost his deposit. Did the hon. member take note of that?

Mr. Woolliams: Is that not a wonderful question? Because a candidate loses his deposit he is never to be taken seriously. That means that we shall never take the Liberal party seriously again in western Canada because most of their candidates lost their deposits.

Some hon. Members: Hear, hear.

Mr. Woolliams: That was a wonderful interruption. The fact is that I did not know Dr. Marcoux, but I found out, as anyone can find out, that he was a very reasonable man.

Mr. Choquette: That is where you are wrong.

Mr. Woolliams: Let me finish. That is what I heard. You can make statements as to what you heard. I always thought that Dr. Marcoux was a man of integrity. I respected him while he was here although I did not always agree with him. If he made a charge he might be wrong. That is not the point. He might also be right. Let us have an investigation and get the facts.

Some hon. Members: Hear, hear.

Mr. Choquette: Have you read his book?

Mr. Woolliams: I recall—

Mr. Choquette: Have you read his book? It is a stupid book.

Mr. Woolliams: I recall very well when reference was first made to the whole Dorion scandal. I might point out that I have just read *Hansard* in that regard and there is one word missing in connection with a question of privilege or point of order that I raised at that time. When the hon. member for Yukon said that there seemed to be a situation where men in high places might be involved in crime the then minister of justice used the word "liar". That word has not been recorded. He also used the word "coward" at that time and I raised a question of privilege. The Chairman and some others said they had not heard the second word.

An hon. Member: I heard it.

Mr. Woolliams: Certainly we heard it. The government's position was that there was to be a whitewash and that discussion was to be prevented. In fact, an election was called which cost the Canadian people between $6 million and $12 million so that the members of this house would not have an opportunity to debate the Dorion report at the proper time. That is why the election was called. It was not to get a majority but to get the Liberal party back in power before the Canadian people had really seen inside the covers of the Dorion report. That is the situation. As long as the government conducts its affairs in that way the Canadian people will not have respect for the administration of justice.

Think of Lapointe. Think of St. Laurent. Think of other Liberal Ministers of Justice who have sat in this house. Think of other ministers of justice. When my good friend from Kamloops was Minister of Justice and when the former member for Eglinton was minister of justice. When my good friend for law and order? The answer is no. During their tenures of office the people of this country had respect for law and order. It should be restored immediately.

An hon. Member: Drivel.

Mr. Woolliams: I think the minister should show strength. He should show that he is going to administer his department fearlessly and administer the law no matter what happens or on whom the brunt of the law may fall. Only in that way will the Canadian people again begin to respect law and order and only in that way will crime be stamped out in this nation.

Second, we should immediately have a royal commission to examine the extent of crime and its tentacles, to find out where they stretch, into what departments they stretch and into what high places they stretch. When one analyses all the deaths that have taken place, some in recent days, in relation to bankruptcy scandals one realizes that there must be some involvement of gang law. A lawyer was murdered recently and found in the trunk of his car. What about that situation, Mr. Chairman? I asked a question about it and I should like to hear the minister get up and say: We are going to have an investigation; we are going to stamp out crime.

• (4:20 p.m.)

I say to the hon. gentleman that he must be careful with regard to the appointment of judges. Our judiciary, and this is a most important thing, has always been independent. On the whole we have always respected our courts. I speak with great favour so far as the courts in my own province are concerned. But respect for the courts will not be maintained by the appointment of men such as Meunier who was subsequently incarcerated after having been charged with a criminal offence. It will not be enhanced by scandals such as the one concerning Landreville in Ontario. This will not promote respect for the judiciary. It will drag the courts down to the level to which I say this government has dragged the administration of justice.

There should be immediate implementation of the recommendations of the report on juvenile delinquency. I know that hon. members sitting opposite do not want to hear this. They do not want these affairs looked into. They do not want to fight another election on scandals because they are afraid of it.

I should like action to be taken on all these recommendations. I do not intend to deal with this subject at any length now because I shall have another opportunity. There is a bill, to which first reading has been given in my name on the order paper dealing with this subject. The commission's recommendations should be closely studied to see whether they are practical and will work effectively. After all, when young people run afoul of the law the sole question to be considered is that of rehabilitation and rehabilitation is impossible if young offenders are held in penitentiaries together with hardened criminals. I should like the government to take a serious and positive look at this question.

[Mr. Woolliams.]

Last but not least, there should be a thorough review of our attitude toward penitentiaries so that the whole emphasis is laid not on punishment but on rehabilitation. This started under the leadership of the hon. member for Kamloops when he was Minister of Justice and I urge the government to get on with the projects he initiated at that time.

All our penitentiaries today are overcrowded. We cannot expect to rehabilitate people in conditions like these. I recognize the department is faced with many problems. There is a shortage of psychiatrists and psychologists to deal with inmates who are suffering from emotional troubles which very often have resulted in the offences that led to their confinement.

There is one further subject to which I would direct the attention of the department. I would ask the combines investigation branch to take a good look at one monopoly which affects most Canadians though in all probability they do not realize it exists. I refer to the monopoly in regard to casket manufacture. The cost of funerals today has reached an all-time high. Most people say it costs too much to die. I am led to believe there is a monopoly in relation to the hardware used in the manufacture of caskets. If there is such a monopoly, let the combines investigation branch go into the matter.

The undertakers of this country as a profession are not responsible for the high cost of funerals.

Some hon. Members: Oh.

Mr. Woolliams: Let hon. members check the prices of caskets and find out what this monopoly means. I have referred to the monopoly on hardware, the handles and other ornamentation used on caskets. If a monopoly exists, as I suggest it does, let us have an investigation and a prosecution. Let us bring this thing to light.

These are some of the questions I wish to leave with the ministers concerned. Finally, I would say that we are still at a loss to understand the division in the jurisdiction of the department. There are three men looking after what used to be one job. I do not believe that under our law this division of jurisdiction is permissible. The ministers concerned are saying in effect: We shall, at the proper time, bring in legislation to make our powers retroactive. At the moment they are guilty of divisive confusion.

Mr. Pennell: Mr. Chairman, I hope it is not unreasonable on my part to emphasize the

fact that this is my first intervention in the debate from a new geographical position in the chamber. Since the traffic in party warfare does not appear to be as heavy or as loud as on other occasions I am tempted to seek the indulgence of the committee, which I understand is traditionally granted on the occasion of a maiden ministerial address, particularly when estimates are being dealt with. I ask to be allowed a little more leeway than perhaps is normal. On most occasions I attempt to address the house with few notes but since I am now dealing with estimates I ask the indulgence of the committee to refer to them in close detail.

The hon. member for Bow River raised a very fair question as to the division of responsibility between the Minister of Justice and myself. May I say to him, with great respect, that I believe the Prime Minister tabled orders in council under the Public Service Rearrangement and Transfer of Duties Act under which certain responsibilities heretofore assigned to the Department of Justice, namely, the penitentiary service, the National Parole Board and the Royal Canadian Mounted Police, have been assigned to the office of the Solicitor General. Hon. members will note that I used the word "office", not "department". The machinery necessary for that transformation has not yet been brought before this chamber.

Allow me to deal first of all with the penitentiary service. I wish to acknowledge with sincerity the creative plans and reforms designed by the previous administration. I am pleased to inform the house that there has been no slackening in the efforts to transform the penitentiary service into an effective and forward-looking organization which I hope will bring dividends to all of us.

Perhaps the house will allow me to strike a brief personal note. The nature of my professional life brought me in close contact with many young people who had run afoul of our criminal laws. It appeared to me at that time that penal reform should not be as difficult as some people suggested. I must candidly admit that things do not seem to me now as they seemed to me then. The reason can be explained in part by the fact that we are attempting to do two things which by their very nature appear to be in opposition to each other. In the first place, we are attempting to rehabilitate the offender so that he achieves a sense of self-respect for the rights of others. At the same time we are trying to protect society by dealing with the prisoner with a view to deterring him and others from repeating the same offence. It is almost like riding two horses at once, an accomplishment which, I am informed, requires great skill and patience.

The task is made tremendously more difficult by the size of our prison population, the overcrowding of our institutions and the need for more research in criminology and the problem of staff recruiting. Each year the penitentiary service receives more than 3,600 inmates from the courts. On the basis of a careful study of inmate population trends in the past it is estimated that the penitentiary population will be approximately 8,500 in 1967 and 10,500 in 1973. On December 31, 1965, there were 7,362 inmates in penitentiaries, and it is disappointing and disturbing to realize that on past performance approximately 40 per cent will return after release.

There is the other side of the coin. I am glad to say that the penitentiary service is making considerable progress with the building program. During the next eight months five new medium security institutions will be opened at Springhill, Cowansville, Warkworth, Drumheller and Matsqui, together with a start on a special correction unit at St. Vincent de Paul. The approximate cost of these institutions is $40 million.

• (4:30 p.m.)

Perhaps I should say a word about the special correctional unit under construction at St. Vincent de Paul, particularly as there has been some criticism. I should emphasize that the penitentiary service is pleased to have the views of the various associations and individuals who have an enlightened interest in this subject. The special correctional unit is not for the treatment of psychotic inmates. It is for hostile, aggressive and dangerous inmates who disrupt normal institutional programs. It is designed for a population that will not exceed 160 inmates. It incorporates training facilities with the very necessary degree of maximum security for the hostile and dangerous inmates who will be held there in detention. I am informed that the hostile type of inmate I am referring to comprises roughly 3 per cent of the present inmate population.

It is only fit and proper that I put on record that inmate training programs for the special correctional units and the design of the units were developed under the guidance of the director of inmate training, Mr. J. C. A. LaFerriere, who has had 15 years experience at St. Vincent de Paul penitentiary, and

Dr. Jean Garneau, an experienced psychologist, Dr. L. P. Gendreau, a psychiatrist of 18 years experience as a senior officer of the penitentiary service, and other senior officers with long experience.

Construction on three other proposed correctional units has been stayed pending the experience that will arise from the operation of the unit at St. Vincent de Paul. It is my earnest hope that the proposed joint committee on penitentiaries will be able to inspect this unit in the near future.

The program provides for the discontinuance of St. Vincent de Paul as a maximum security institution by 1970, by which time new facilities will have been built at St. Anne des Plaines. It will be a source of satisfaction to all hon. members to know that the "bucket wing" at St. Vincent de Paul will be closed in 1967.

Subject to the vicissitudes of the future, 20 new institutions will be completed to round out the 10 year plan of institutional development. The burden of success of a penal reform program rests substantially on staff. The penitentiary service is experiencing the same difficulties in recruiting as are being experienced by institutions, industries and businesses elsewhere. There is particular difficulty in recruiting psychologists and classification officers.

A survey of the penitentiary service system of pay classification by P. S. Ross and Company has been completed and is under study by the Treasury Board representatives. I am hoping that the results of this study will be made known very shortly.

Research in criminology is of prime importance, and the committee will be pleased to learn that an amount of $20,000 has been included in the budgetary estimates for the fiscal year 1966-67 to defray the cost of studies to be undertaken by the department of criminology of the University of Montreal for the benefit of the penitentiary service.

It is hoped to achieve by 1968 a universal system of custodial and training facilities in each of the four regions of Canada, so that every inmate can be kept in the degree of security he requires and can receive the training most appropriate to his needs. It is hoped that the policy that no institution should accommodate more than 450 inmates will be put in effect with the opening of five new institutions this year.

The program of penitentiary development for the fiscal year 1966-67 will see the commencement of construction of the new maximum security institution at St. Anne des Plaines which will reduce substantially the inmate population at St. Vincent de Paul, and the construction of a new maximum security institution at Millhaven near Kingston, which in turn will make it possible to reduce effectively the inmate population of Kingston penitentiary. At Millhaven the penitentiary service will also commence construction of a reception centre to serve the Ontario region.

In addition, the penitentiary service is establishing a community release centre for women in Kingston. Properties will be acquired in the cities of Montreal, Toronto, Winnipeg and Vancouver that will serve as community release centres. At these centres, inmates who are within two months of expiration of sentence or of release on parole will be provided with shelter, food and counselling while they are finding employment and becoming adjusted again to living again in a free community.

During 1966-67 construction of a correctional staff college will be commenced at St. Vincent de Paul for the training, both basic and advanced, of penitentiary service officers. It will be comparable in size to the correctional staff college that was opened in Kingston in 1964 where facilities are available for training up to 100 officers at a time.

Over the past 10 years some 3,000 trainees have graduated from training courses in penitentiaries and have been released to society. Only 11 per cent of them were subsequently sentenced again to penitentiaries. This is encouraging in the face of the general average of penitentiary recidivism among inmates admitted to the penitentiary system in any year which, as I said earlier, is running at approximately 40 per cent.

There is no need for me to say that I have touched but lightly on this vast and very important subject. The picture that I should like to present to the committee is one of great pressure, but not one of crisis, of expansion and not complacency. However, before I leave this subject I should say I was gravely concerned upon assuming my new responsibilities to learn that juveniles continue to be held as inmates in our federal institutions, and I must say that the hon. member for Bow River first drew my attention to this very disturbing situation in a very admirable speech approximately two years ago. At the present time I understand that there are four 15 year-olds, all in the federal training centre at Laval City, a special institution for young offenders between the ages of 16 to 23.

There are 20 inmates 16 years of age and 73 inmates 17 years of age. Teenagers are incarcerated in penitentiaries because they have committed offences under the criminal law and have been sentenced to penitentiary terms by the courts. This is usually brought about because a case has been referred by the juvenile courts to the adult courts.

The report of the departmental committee on juvenile delinquency, which was initiated by the hon. member for Kamloops, is now receiving attention in the Department of Justice and in the office of the Solicitor General, and incarceration of juveniles in penitentiaries will be one of the matters receiving close attention.

I should say a word about the National Parole Board. The staff of the national parole service was increased during the present fiscal year, or is presently being increased, by the addition of 21 new parole officers. I hope that my words will not be construed as reflecting on the members of the National Parole Board who are doing an excellent job in a very difficult and trying position. But the fact of the matter is that at the present time only a small portion of penitentiary inmates qualify for parole. In the calendar year 1964, 650 inmates, or 18 per cent of the total of 3,617 released, were granted parole. It is encouraging to note that in 1965 the number of paroles increased to 1,040 inmates, representing 28 per cent of the 3,730 inmates released from federal institutions. In other words, the great majority of penitentiary inmates are not released on parole but on expiration of their time.

Many inmates do not wish to obtain parole because they do not wish to be under supervision. They prefer to stay longer in the penitentiary and obtain complete freedom than to be released earlier but under supervision for a much longer time.

The committee will be interested to learn that the Parole Act is under active study with a view to proposing amendments that will assist in increasing the opportunities for parole.

Finally, I turn to deal with the activities of the R.C.M.P. Hon. members may be interested to learn something of the volume of work required to be done by the force in discharging its various responsibilities. I am informed that during the fiscal year which ended on March 31, 1965, for example, charges were laid by officers of the force in respect of 41,031 offences against the Criminal Code. My information is that the total number of instances requiring investigation increased during the fiscal year 1964-65 by about 25 per cent over the previous fiscal year.

In addition to these activities the force rendered assistance to various other police forces throughout Canada in the investigation of a further 14,297 cases, most of which arose under the Criminal Code.

In general, the R.C.M.P. figures indicate that the force was called upon during the fiscal year 1964-65 to perform about 17 per cent more investigations, prosecutions and appearances than had been the case during the previous fiscal year. The figures for the fiscal year 1965-66 are not yet available but my information to this point certainly does not give any reason to believe that the work load of the force has decreased during the past 11 months.

• (4:40 p.m.)

It will be seen that the aggregate figure of $80,526,369, the estimated figure for the fiscal year 1965-66, represents an increase of $8,730,799 over the figure of $71,795,570 for 1964-65. This increase is attributable almost entirely to an increase in the amounts required to meet salaries, pay and allowances. About $1 million of this increase is attributable to an increase in the amount required for the acquisition of new equipment for the force.

The increased amount for pay and allowances for members of the force is attributable to two things: (a) pay increases for all members of the force; and (b) an increase in the approved total strength of the force of 426 persons, bringing the approved total strength from 9,130 for the fiscal year 1964-65 to 9,556 for the fiscal year under review. Hon. members will note that the total actual strength of the force of 9,547, including 7,255 regular uniformed members, is very close to the authorized strength.

Perhaps I might give a word of explanation concerning some of the other major items of expenditure. The figure given for "All other services", $8,561,500, is an increase in that category of about $588,000 over the previous year. This category relates to sundry expenses of investigation and the increase reflects accurately the increase in the total volume of work being done by the force.

The figure given for "Acquisition of equipment", $3,392,000, represents an increase in that category over the previous year of about

$1,061,000. The principal sub-item of expenditure here is the purchase of 721 new automobiles to replace existing components of the force's automobile fleet and an additional 87 new automobiles designed to increase the size of that fleet. Hon. members may be interested to know that the R.C.M.P. is a highly mobile force possessing 2,042 vehicles of which 1,770 are automobiles, 219 are trucks, and the remainder consist of motorcycles, snowmobiles, ski-doos and tractors.

I hope the foregoing information will assist hon. members in their considerations of the estimates of the force, and I want to thank all hon. members for the courtesy and patience with which they have received my opening remarks.

Mr. Fairweather: Mr. Chairman, may I direct a question to the minister? I would be interested, and I think other members would be also, in having some further information with reference to investigations, charges and prosecutions. The minister noted the increase and I should like to know how many are attributable to the use of motor vehicles. I know statistics are kept and I am wondering how much of this represents automobile crime. It would be helpful if we could have information in respect of that proportion which has to do with the operation of motor vehicles and the traffic branch.

Mr. Pennell: I will endeavour before the estimates are concluded to obtain that information for the hon. member and I will relay the information to him.

Mr. Brewin: Mr. Chairman, I should like to take this opportunity of congratulating the Solicitor General on his first presentation as minister and to say to him I believe all members of the house will wish to co-operate with him in the work he has undertaken and in bringing a progressive view into the administrative fields which are under his responsibility.

I do not intend to discuss, however, the items he has brought forward at this time. I intend to discuss what I regard as being a very grave matter affecting the administration of the Department of Justice and which in my view has constituted a major scandal. I should like to adopt the words used by the *Globe and Mail* of Toronto as long ago as June 14, 1963, when they referred to fraud in the field of bankruptcy as being twentieth century robbery on a grand scale.

The failure of the government of Canada and the Department of Justice in particular to pay attention to the repeated warnings they have received of the colossal scale of fraud in this field is a sorry record of laxity, inefficiency, inadequacy and neglect not only in the legislative field but also in the field of the administration of the law as it stands. Even to this day, as I propose to show, the Minister of Justice, who I know is fairly new at his job, still has failed to accept the full responsibility which lies upon him and his department. He is practising the usual buck-passing.

We want to ask him what his reasons are for inaction in this field. What are some of the facts? I intend to give them in some detail because they present a record which I think is no less than shocking, As long ago as 1961, and maybe it happened before this, the Canadian Lumbermen's Association submitted a brief to the then Minister of Justice, the present hon. member for Kamloops. It contained detailed suggestions relating to amendment of the Bankruptcy Act and pointed out that in the year 1960—this was in 1961—defaulted liabilities had increased by 55 per cent to the figure of $148 million. I am going to point out later that in this last year they are expected to exceed $500 million. So we are not speaking of a trivial matter. The increase in 1960 was an increase of 55 per cent. The Lumbermen's Association represents some 600 members doing business all over eastern Canada. I should like the committee to note the recommendations they made roughly five years ago to the effect that the government should give full publicity to firms going into bankruptcy, particularly fraudulent bankruptcy, and any trustee irregularities. They also urged the government to increase its staff of investigators and to hire chartered accountants. This was in 1961.

In February of 1962 another association of businessmen, the Canadian Construction Association, sent a brief to the then Minister of Justice who at that time was still the hon. member for Kamloops. This association has a membership of some 1,200 firms and 61 affiliated construction associations. They claimed in their brief, with some justice, to represent a cross-section of business and industry in Canada. They referred to the growing number of bankruptcies and the prevalence of fraud and premeditation in bankruptcies. This was in February of 1962. They urged full investigation by a court approved public accountant with a view to disclosing bankruptcy offences.

In March of 1962 the Canadian Credit Men's Association, which has some 4,200

members representing leading manufacturing, wholesale and distribution firms, sent another brief to the Minister of Justice. This brief was prepared about four years ago after consultation with the foremost bankruptcy lawyers in all parts of Canada. It refers to the large number of fraudulent bankruptcies. It recommends—I invite the attention of the committee to this—that to deal with the situation a special department should be established under the supervision of the superintendent of bankruptcy for the investigation and prosecution of bankruptcy offences. Has this suggestion been adopted? No.

• (4:50 p.m.)

After they sent it to the hon. member for Kamloops, the then Minister of Justice, and nothing happened they waited for a while and sent it in again to a later Minister of Justice, the present President of the Privy Council. Has any action been taken in respect of those suggestions? There has been no action taken as far as I can make out.

Then in October of 1963, which I point out is now two and half years ago at least, a most highly expert and qualified group made their submission to the then Minister of Justice, Hon. Lionel Chevrier. Perhaps they hoped that with a new administration action might be expected. But they were to be disappointed. This brief was submitted by the Canadian Institute of Chartered Accountants. They referred, as I have, to the description of bankruptcy frauds as "twentieth century highway robbery on a grand scale".

They then set out what the purpose of bankruptcy is and for the benefit of hon. members I should like to read what they say in that regard. It is:

> —the expeditious realization of a debtor's assets and the distribution of the proceeds among the creditors entitled to them in law—the punishment of the dishonest debtor—and the ultimate discharge of the debtor from bankruptcy and his integration into society once again freed from a crushing burden of debt.

Then they went on in their preface to the brief to say this, and this explains some of the reasons for the colossal scale of bankruptcy frauds:

> Early in the committee's study, it was realized that the sales and credit policies in our highly competitive economy fostered and even encouraged an over-extension of credit. Such credit policies were entirely innocent in most instances; in others, they bordered on exploitation. This economic atmosphere was ripe for the racketeer and his strategies. Furthermore, the ease with which corporations can be formed and transfers of interest made, has created an impersonal atmosphere in which the moral aspect of business can be easily forgotten. These facts, when examined in terms of the Bankruptcy Act, revealed that, while the Act needed certain amendments, one of the principal areas requiring corrective action was in the field of administration.

I emphasize that they suggest that action is required in the field of administration. They then summarized their proposals, which included legislative proposals, but I only want to read from the fourth suggestion in their summary where it is stated:

> Suggestions for the reorganization of the office of the superintendent of bankruptcy to assist the department in its supervision of bankrupt estates and the activities of licensed trustees.

They then went on to give detailed suggestions of some of the technical problems and legislative changes that are required. I do not intend to detain the committee by going into them. However, at page 25 they deal with a subject that I am concerned about, the subject of fraud. They quote a speech of Mr. W. J. McQuillan, Q.C. delivered on June 19, 1959 to the Eastern Credit and Financial Management Conference and state:

> My last comment will be on a subject on which any lawyer whose interests are normally identified with creditors feels very keenly. Some of you may know, having been victims, that in Montreal over the past few years, four or five organized gangs have been operating. The pattern is simple.

Then he goes on to describe the simple pattern in 1959 which he said was operating in the field of bankruptcy frauds. These remarks are quoted by the Institute of Chartered Accountants in their 1963 brief at page 26, and I invite the attention of the committee to this statement which shows the total breakdown of the administration of justice in this field. They state:

> Appropriate steps are seldom, if ever, taken to bring dishonest debtors and other parties involved to justice.

I emphasize that statement made by the Institute of Chartered Accountants. They say:

> Appropriate steps are seldom, if ever, taken to bring dishonest debtors and other parties involved to justice.

Then on page 27 they spell out in detail some of the things that ought to have been done and have not been done by this administration or its predecessor. They say:

> For many reasons this system is unsatisfactory as:—

They refer to the system in vogue as being unsatisfactory and then list reasons as follows:

> The superintendent of bankruptcy seldom takes part in investigations of alleged fraudulent actions relating to bankruptcies.

In fraudulent cases, one or a number of creditors may themselves be involved in the fraudulent action.

In fraudulent cases, by the time secured creditors are paid, there is often nothing left to finance an investigation and creditors are loathe to "throw good money after bad".

They then refer to some of the improper transaction and they state:

Deliberate omission of certain assets from the statement of affairs.

Admission by the trustee of improper claims of creditors.

Failure by the trustee to report improper acts and transactions by the bankrupt prior to bankruptcy proceedings.

Improper repossession of goods by certain creditors to the detriment of other creditors.

If all these things were known to the Institute of Chartered Accountants, what action if any has the superintendent of bankruptcy and the Department of Justice taken in respect of these matters? They then make several suggestions of things that should be done. These are in the form of recommendations and the first one is:

The position of superintendent of bankruptcy is of sufficient importance to justify the status of assistant deputy minister.

The staff of the superintendent should be strengthened by the appointment of three assistants whose duties would be to supervise:

Activities of registrars, official receivers and trustees; investigations of bankruptcy frauds; processing of trustees' statements.

Item 5 in their recommendations is:

The superintendent of bankruptcy should assume the responsibility, financial and otherwise, of conducting investigations where there is evidence of fraud.

I intend to point out later that this Minister of Justice, and perhaps he will deal with this later, has several times asserted that this is not the responsibility of his department.

In October of 1964 the government of the province of Quebec instituted an inquiry known as the Mercier inquiry which reported on July 30, 1965. This inquiry was largely concerned with loss of revenue to the provincial department of revenue in bankrupt estates, but the inquiry was expanded and found, and I invite the attention of the committee to this:

The inquiry directed by this commission revealed a very deplorable if not alarming situation which existed in bankruptcy and liquidation matters in Quebec.

Then on page 7 of the report it is stated that the inquiry demonstrated that dishonesty and fraud deeply penetrated in one way or another a large proportion of bankruptcies and liquidations. I invite the attention of the committee to these words to be found in the official report to the legislature and the government of the province of Quebec. It states that the underworld did at the same time a lucrative business to the detriment of honest creditors.

In October of 1965 the Canadian Lumbermen's Association returned to the attack. You will remember that they filed a brief pointing out all these things in 1961. Four years later they thought they might try again, and they stated that fraudulent bankruptcies in the lumber industry in Quebec alone amounted to some $46 million. They then added this view which is the result of an inquiry by their members over seven months through a special committee they had set up:

—this sordid situation has links with political campaign funds, narcotics peddling and arson swindlers.

That is not the view I express; it is a view put forward in a brief after investigation by this association of businessmen. Then the *Globe and Mail* in dealing with the submission of the Lumbermen's Association said, reporting the chairman of the committee:

It had been trying in vain for several years to get action from the federal and Quebec governments. It asked Prime Minister Pearson for a royal commission in February 1964.

The *Globe and Mail* then stated that Mr. Leblanc, who I assume was the chairman of the committee, had said:

We have the impression of watching a football game between federals and provincials, where the two teams are stalling the game and throwing on each other the responsibility for doing so.

• (5:00 p.m.)

Mr. Kierans, then the revenue minister for Quebec, did not agree with this description. In a speech to the Canadian Pulp and Paper Association in the fall of 1965 he accused the federal Department of Justice of hindering Quebec's war on the bankruptcy underworld. I should like to know whether Mr. Kierans was making a responsible or an irresponsible statement when he said that the federal Department of Justice was hindering Quebec's war on the bankruptcy underworld. I think a committee of this house should be interested in this matter too.

Mr. Kierans said that Quebec—he meant the government of Quebec—had complained to the federal department for years about laxity and loopholes in the Bankruptcy Act and was now insisting that Ottawa act. Those are the words he is quoted as having used. The present minister may say that he has only been in office for a short time and that he now proposes at long last, after these years of

responsible demonstrations of a substantial scandal, to do something about it. But unfortunately he has been in office long enough to demonstrate a settled determination to avoid the issue.

I should like to quote what the minister is reported to have said. This is in the *Heavy Construction News*, a newspaper published by the construction industry, of September 24, 1965. If I am misquoting the minister I have no doubt he will correct me.

"The real complaint is that certain people are obtaining credit unscrupulously with no intention of or likelihood of meeting their debts after disposing of the goods they obtain." Cardin—

That is the familiar way in which they refer to the minister:

Cardin said: "Bankruptcy is the inevitable result but it usually is the consequence of what has been done, rather than a means in itself of defrauding creditors. The suppression of pre-bankruptcy fraud is the responsibility of the provincial authorities as a part of the administration of criminal justice by the provinces" he emphasized.

"The federal role, on the other hand, exercised through the superintendent of bankruptcy, has always been understood to be especially the supervision of the trustees".

In these words, as I read them, the Minister of Justice is rejecting the emphatic, documented, reasoned pleas of all the business organizations I have quoted, namely, that the superintendent of bankruptcy should take responsibility for the investigation and if not the detailed prosecution at least the preparation of the prosecution of these offences.

Mr. Cardin: Mr. Chairman, I think the hon. member wants to be fair and I believe it would be useful if I said something here, if he would permit me to do so. It is true that the federal government is responsible for the administration of bankruptcy. The superintendent can in fact initiate investigations; but the actual prosecution and investigation of any criminal activity in this field as in any other field and the administration of the Criminal Code are under the provincial authorities. This is all I meant to say in that statement.

We do not claim that we have no responsibility for the administration of bankruptcy. We claim that we do not have the responsibility for actually investigating and prosecuting criminal charges that might arise within a bankruptcy.

Mr. Brewin: I am glad to hear the minister's explanation but unfortunately it does not jibe with what he is alleged to have said; at least, I do not think it does. The Canadian Press in an article in the *Globe and Mail* of February 10 last quoted the minister in this way:

Justice Minister Lucien Cardin said such investigations—

Investigations into bankruptcy frauds.

—are a provincial matter. The federal government was responsible only for the supervision of bankruptcy trustees.

What I am trying to point out to the minister is that all these organizations, the Institute of Chartered Accountants, the Canadian Construction Association, the Canadian Lumbermen's Association, the Canadian Credit Men's Association, have for years been urging that the responsibility which is in the act be carried out by the superintendent of bankruptcy by setting up a staff adequate to deal with this colossal cancer on our society.

I suggest that instead of putting forward these evasive statements and shoving the responsibility off to the provinces, the minister should accept this responsibility and take steps to solve this very difficult situation. The minister does not have to tell me, because I happen to be a lawyer trained in this field and know it very well, that the prosecution of these matters rests with the provinces. I also know that in narcotics and combines cases the federal authorities provide counsel because they know these are difficult matters. They take their responsibility seriously in these cases. But these bankruptcy frauds are not being taken seriously.

I am not blaming the minister for this, but the miniscule staff available to deal with these situations is totally inadequate. They are not able to deal with racketeers of the type who are defrauding the Canadian public on a colossal scale year after year. Nothing is done by the government that is responsible for this matter. I say to you, Mr. Minister, through the Chairman that it is time we stopped using provincial responsibility as an excuse for inaction in this matter. The field of bankruptcy is clearly defined in section 91 of the British North America Act to be the responsibility of the federal government.

I hope we are not going to see more and more abandonment of federal responsibility in jurisdiction. That this matter should be dealt with adequately by the government and the Department of Justice is essential for the protection of businessmen across Canada. These gangsters or criminals are smart enough to use provincial boundaries in hopping from one place to another. We need a

nationally effective administration, properly staffed with accountants and so on, to deal with this matter.

I hope we will never again hear in the house the statement by the responsible minister that these investigations are just a provincial matter and the federal government is only responsible for the supervision of bankruptcy trustees. I remind the minister, if the government is responsible for the supervision of bankruptcy trustees, that according to the Institute of Chartered Accountants in 1963 many of these trustees are themselves appointed by fraudulent creditors. Many of them do not do their jobs and supervision has been inadequate. We need an entirely different approach in this field to anything we have had in the past.

What does the minister do? He says we will have some amendments to the act. Well and good. Then four years later we are still told we are to have some amendments to the act and the question will be considered by a new group of lawyers. The Institute of Chartered Accountants and the construction industry consulted lawyers expert in this field four years ago. They could sit down with the officials of the department capable of understanding and explain the changes necessary in the law. I suggest also, Mr. Chairman, that this house contains enough competent people who could advise the government in this regard. Why appoint one lawyer in Montreal, one in Toronto and one in Ottawa? I do not know whether they are friends of the administration and need something to do but I do not believe it is necessary to put off these things in this way. There has been a terrible neglect in this field. Again I say that the minister should not bear the brunt of the blame for this situation; it has been happening for quite a long time.

I hope the amendments to the act will be referred to the Justice Committee and that the committee will take the responsibility not only of looking into the amendments proposed but inquiring into the administration, which the Institute of Chartered Accountants said was of crucial importance in this field.

I suggest that the tale of governmental and departmental waiting in this field requires a more searching scrutiny. What is wrong with the department? What is wrong with its administration? For five years they have been investigating this subject. For five years they have received a flood of complaints and detailed suggestions poured forth from responsible business organizations. I will never again complain that the Liberal government is too subservient to business interests because apparently they are prepared, at least if small businessmen are concerned, to ignore completely the very rational suggestions made to them. It is an unjust accusation for anybody to make that they pay any attention to the needs of business because apparently they do not.

As I say, Mr. Chairman, for five years they have heard these complaints and millions, indeed hundreds of millions, of dollars have been lost by these repeated frauds. The laws designed to protect honest debtors have been used as instruments of fraud. Thousands of businessmen all across Canada have lost legitimate payment for their goods. The need for action has been demonstrated time and again. The direction of the remedial action required has been clearly indicated but nothing has happened. There is something rotten here and if not rotten at least pitifully inept. In my view the committee should not only review changes in the legislation now proposed but should seek to find out why a whole succession of ministers of justice have been unable apparently to secure from the department the advice required to take the administrative and legislative steps needed to eradicate this crying scandal.

• (5:10 p.m.)

If by any chance this matter does not seem to be of great importance to this committee, and I hope it does, then the sort of headline we saw today should remind us of the gravity of the matter. When we allow criminals to get involved in matters like bankruptcy with great profit to themselves, then it follows as day follows night that honest men will find themselves shot because they had the guts to fight but did not have adequate help from the government in the past. I hope they will have that help in the future in dealing with this major injustice and fraud on the Canadian people.

Mr. Fulton: Mr. Chairman, I appreciate the opportunity of addressing a few words to the committee in connection with the field of justice—or perhaps I should now say fields of justice, and the various components into which, I think regrettably, it is in the process of being divided. I want to make it clear that while I intend to confine myself to some fairly general remarks at this stage I do so only because it seems clear there will be

other more appropriate opportunities to go into discussion in depth and in detail on other questions when the main estimates for 1966-67 are being considered. Nethertheless I have some observations which while of a general nature deal with matters of sufficient importance that it is desirable to make them at this time. I am not going to follow in detail the line of the hon. member who has just spoken, but I want to refer before I conclude to one aspect of bankruptcy.

The subject which concerns me most at the present time is the proposal to divide the responsibilities formerly discharged by the Department of Justice into three. I want to make it clear also that I make no criticism of the Solicitor General personally. I am sure we all appreciated the brief resumé he gave us this afternoon of the work he is undertaking and his approach to it. It is not with respect to his capabilities personally that I am concerned. I am sure we all look forward to the time, if the government's proposal is adopted, when he will bring his considerable and extensive capabilities to the discharge of his new responsibilities.

But I do not believe the responsibility should be divided. I assure you, sir, that I have attempted to keep an open mind, but I am satisfied on the basis of my own experience that it is a mistake to divide these functions as it is now proposed to divide them. I am sure of my ground when I say that what is needed in this field is not more division but more and better co-ordination. My view is that co-ordination will become more and more difficult, if not impossible, to achieve when you have this clear, sharp distinction which it is now proposed to create between the functions of the respective ministers amongst whom this work is to be divided.

I base my position on my own experience, the experience I had during the course of my administration of the department and upon the more recent experience of the present government. I do not want, sir, to claim any special farsightedness or any personal credit for the very good relationships which existed between the various branches, services and components of the Department of Justice that characterized the years between 1957 and 1963. But it was not accidental. I am not seeking to reflect on anybody. I am stating it as a fact that this condition was not in existence in June of 1957.

What we found then was that there was too great a tendency for the various services to operate without adequate knowledge of what the other services were doing. They would, therefore, frequently be working at cross-purposes. I am quite certain, Mr. Chairman, that in no field is it more important than in this field that there be co-ordination. You cannot have the enforcement section operating in a vacuum from the correction section, with policies not co-ordinated, and above all you cannot have the enforcement and correction branches operating in a vacuum and without co-ordination with the administrative and law-making functions. We initiated administrative procedures during those years which would make it certain that there was co-ordination, co-ordination with respect to administration, co-ordination with respect to the passage of information between the R.C.M.P., the penitentiaries service, the parole functions and the administrative and lawmaking functions, all of which came within the scope of the department and the Minister of Justice as he then exercised the responsibilities.

It was a very happy experience and I am satisfied I am stating the matter correctly when I say that the officers of the department who reported to the minister all appreciated the fact that there was this co-ordination. I leave that there, Mr. Chairman. I say next that I am quite satisfied that if there had continued to be that co-ordination, that exchange of information, some of the grievous, far-reaching mistakes that have characterized the administration of justice under the present government, especially in the years from 1963 to 1965, would not have happened because they could not have happened.

I do not want to rehearse all the difficulties surrounding the position of the President of the Privy Council and leading up to the Dorion Commission report, but I am as satisfied as if I had been there that the difficulties in which the then Minister of Justice found himself would not have arisen, the mistakes he made would not have been made, had there been the necessary co-ordination between the R.C.M.P. and the information they were bringing the minister on the one hand and the advice the officers of the Department of Justice were there to provide on the other hand.

It was simply because the officials of the Department of Justice did not have adequate information and access to the R.C.M.P. reports that that far-reaching and grievous mistake was made in a matter affecting the basic structure and functions of representative government itself. The report on these matters received from the R.C.M.P. was not

reviewed as it should have been by officers of the Department of Justice who were there for that very purpose. So the minister in a matter of the gravest consequences, having far-reaching political consequences, placed himself in a position where he made a decision on his own without the advice which he should have taken and which would automatically have come had there been that system in effect which I have described.

I would have thought this government would have learned from its mistake. Instead, what do we see? We see a greater compartmentalization system being built up under which there will be less and less knowledge by the one hand of what is being done by the other.

• (5:20 p.m.)

I am satisfied now—and I became satisfied as a result of the experience I had—that it is not sufficient to leave this matter of co-ordination and co-operation between the various services which report to the one minister, to a matter of mere administrative arrangement within the ministers' office. My experience convinced me that something more formal was required, and so we were working on a proposal which would result in a formal recommendation for a departmental reorganization which would both reflect the need and ensure the fact of co-ordination and co-operation. I should like to summarize that proposal here.

In my view, what is required is that we should have three deputy ministers made responsible for these functions. They would continue to be under the responsibility of one minister but there should be three deputies: A deputy in charge of administration, a deputy in charge of enforcements and a deputy in charge of corrections, all three deputies reporting to the one minister. The situation then would be that there would be one minister who, with the advice and assistance of the deputy in charge of administration —who should be given the responsibility for co-ordinating and reporting on policy to the minister—would assume the over-all responsibility in the government for the co-ordination of that policy.

It may very well be asked of me, "Why didn't you do it"? I think the answer is clear. I said that I became satisfied that this question should not be left to a mere administrative arrangement carried on by individual ministers, but should be reflected in an arrangement which assured co-ordination and co-operation. However, political circumstances overtook us before it was possible to make a firm recommendation. Therefore I make no apology for saying this after the event.

I am making this suggestion now because the matter is of such importance that I hope the government will reconsider the organization of the work that we are discussing along those lines. Rather than bifurcating, or I think it is trifurcating the department—or as my hon. friend from Bow River has perhaps less euphemistically but more accurately described it, "creating divisive confusion"—I hope that the government will reconsider its proposals in this field and adopt a policy of co-ordination rather than division.

There are many other reasons for this suggestion apart from the obvious necessity of co-ordination and co-operation. After all, what do we see now? Apparently there is an intention to make the President of the Privy Council responsible for much, if not all, of the work in the constitutional field, at any rate as far as it lies within the sphere of dominion-provincial relations. But who is or should be the constitutional adviser to the government? Surely it is the Minister of Justice.

It is a mistake then, because of some temporary situation which may arise, some temporary difficulty in which the government finds itself, to take away these responsibilities and entrust them to others without really thinking of the over-all implications and where they will lead us in the long run.

Mr. Nielsen: Political expediency.

Mr. Fulton: Is the Minister of Justice to be no longer the constitutional adviser to the government? I would deplore such a development. I hope that the minister will tell us what is the ultimate intention. I hope the Minister of Justice will be able to tell us that not only will he continue in name to be constitutional adviser to the government but that he will continue in fact to be so. It is important to parliament that both this house and the country know where to look for authoritative statements on constitutional matters and know whom to hold responsible. Both functions are equally important.

Is the President of the Privy Council to continue to be in charge of dominion-provincial negotiations, with the Minister of Justice, who is or should be the constitutional adviser, having no hand in them, merely coming in when the fact is accomplished to pass some

sort of *ex post facto* opinion whether or not the action proposed is constitutional? He cannot be the real constitutional adviser unless he takes the major responsibility for such negotiations.

Similarly, the Minister of Justice is surely the appropriate and obvious minister to deal with the Attorneys General, his counterparts in the provincial administrations in this field.

Mr. Nielsen: He is Attorney General of Canada too.

Mr. Fulton: As my hon. friend for Yukon reminds me, the Minister of Justice is also the Attorney General for Canada. Surely that function is not going to be removed from him by the process of erosion or osmosis that I am satisfied will set in under this proposed trifurcation.

If the Minister of Justice as Attorney General of Canada is the appropriate minister to deal with the provincial ministers in this field, then does it not follow that he should also deal with them in the immediately and closely related field of law enforcement? I should think the logic of the proposals—I hate to use that word because there is no logic in them—the logical outcome of the proposals which are now being put forward will be that more and more the Solicitor General will deal with matters of law enforcement and co-ordination. So apparently we are to have three different ministers dealing with the provinces, if these proposals go forward, in fields where the utmost co-ordination is again necessary, fields which should be dealt with and co-ordinated by one responsible minister, not by three.

I hope therefore that the government will give serious consideration to this matter, Mr. Chairman, and will ask themselves whether they are not indeed embarking on this course because of a fundamental error in policy. They should ask themselves whether this course, if pursued, will not lead to a compounding not only of the time that must pass by before these serious problems, which have been referred to by others today are dealt with but also a compounding of the difficulty of dealing with them at all effectively.

I wish to say no more on that subject at this time. I leave the matter with the government in the hope that it will give it that reconsideration. However, we will certainly have a great deal more to say on the matter if we find that when the legislation is introduced it reflects what we consider to be this fundamentally unsound policy.

I should like now to refer to some specific matters, but before going on I want to say a word or two on the question of bankruptcy which was dealt with in some detail by the hon. member for Greenwood. Again I do not intend to go into detail on this matter at this stage, if only for the very good reason that my colleague, the hon. member for Yukon, will be developing the subject in considerable detail on another occasion. But I want to deal with the one question of when the studies of bankruptcy commenced.

The hon. member for Greenwood is quite correct when he says that complaints began to come in as far back as 1961; they did. One very good reason is that we invited the submission of representations on the subject. I do not want to claim sole responsibilty for this; it was a matter of increasing concern. But I well recall making a speech on this question and asking interested professional and business organizations to give us the benefit of their experience and to let us have their views on how the weaknesses could be remedied.

We commenced a study in 1961 as a result of our concern, a concern which had led to representations being made by outside organizations. We soon found that the study we had started within the department, which we entrusted to the then superintendent of bankruptcy, was obviously of a nature and scope which it was not possible for that one official to handle alone. So it was not very long before we did in fact place that study in over-all charge of, and give over-all responsibility for its conduct to, an assistant deputy minister.

That was the situation when I ceased to be Minister of Justice. I just wanted to make this part of the record clear, that at least at the time when we had responsibility for the administration we did not fall nor were we pushed into a study of bankruptcy. We initiated it and invited outside representations and suggestions.

• (5:30 p.m.)

Among the other matters that should be considered urgently by the Minister of Justice, and upon which I hope we shall get some answers in the course of discussion of these estimates, is the question of co-ordination of law enforcement between the federal and provincial governments. I am quite sure that hon. members of the committee will agree with me when I say that some of the statements which have been made recently by the present Attorney General of Quebec

are serious and far-reaching. His statements criticizing the co-operation between the two governments on the one hand and his statements critical of the work of the Royal Canadian Mounted Police on the other cannot and should not be left unanswered. I feel very strongly about this. I feel that they cannot and should not be left unchallenged, certainly in so far as the work of the Royal Canadian Mounted Police is concerned.

I must say that on the basis of my experience with that force when I was minister and on the basis of my impression of the work of that force today there is no foundation for the implications contained in the statements made by the Attorney General of Quebec in so far as the efficacy and the readiness to co-operate of the Royal Canadian Mounted Police are concerned. Indeed, sir, I think that some questions should be raised as to the degree of co-operation forthcoming in the other direction.

I want to mention two specific fields. I should like the minister to tell us what is the situation, for instance, in the field of counterfeiting? How much actual co-operation is coming from provincial law enforcement agencies in this increasingly important field, a field where the activities of criminals mean a potential if not actual loss of many millions of dollars to the people of Canada, particularly of course through the watering down and dilution of the currency of Canada.

Counterfeiting is a crime under the Criminal Code. I want to know how many cases of counterfeiting have been prosecuted by provincial police and how many by the Royal Canadian Mounted Police. How many cases were investigated by the provincial police, how many by the Royal Canadian Mounted Police, and what degree of co-operation is forthcoming in that respect?

An hon. Member: How many of those result in prosecutions?

Mr. Fulton: Yes. Perhaps I should ask how many investigations are initiated by provincial forces and how many of those result in prosecutions?

What about the field of illicit distilleries? It is true that this is a matter under the Excise Act and therefore there is a very primary federal responsibility. I make no complaint about the fact that the federal forces assume and are expected to assume primary responsibility for the investigations in this field; but it is also a matter of concern for provincial liquor commissions.

[Mr. Fulton.]

I should think that it would not take very much legal argument to convince anyone that the conduct of an illicit still is an offence under provincial legislation as well as under federal legislation. And I should be interested to know as well the degree of co-operation forthcoming from the provincial authorities in this matter. I think the situation in this and similar fields should be outlined by the Minister of Justice so that we shall have factual basis upon which to support the general statement that the criticism, actual and implied, of the Royal Canadian Mounted Police in the field of co-operation is completely unwarranted and unjustified.

Then, sir, I should like to ask a question with respect to the proposed department of the Solicitor General in case I should be taken by implication as conceding that there should be a separate department. I do not so concede, but it would be interesting to know what it is in mind by way of organization of that department and what is in mind by way of ensuring that, if this wrong proposal is persisted in, at least we can have the maximum co-operation and co-ordination of policy between the various departments.

Then, with respect to penitentiaries I repeat that I appreciate the outline given by the Solicitor General. I do not propose to say a great deal here because of the fact that I hope we shall have the main estimates for 1966-67 before too long and because there is now on the order paper the motion to set up a special committee. Both of these will furnish us with more appropriate occasions to go into detail.

But I should like to say that I think it is a mistake to be setting up a special committee for the purpose of studying the penitentiary construction program. I hope that the minister will reconsider this matter also.

After all, not very long ago, as a result of a complete review of committee organization a standing committee of the house was set up, which I think is a good standing committee, to look into matters of justice and legal affairs. This committee, as I understand it, was set up for the very purposes, first, of considering the estimates of the department and, second, of considering such suggestions and problems as are now being proposed to be referred to the special committee. I am in favour of setting up standing committees covering most of the departments of government. But when we have done that, then surely it becomes a proliferation of committees to set up a special committee to study

one of the very matters which should come before a standing committee.

We are all here to work. But it is obvious surely, that by and large the same people who are interested in the work of the Standing Committee on Justice and Legal Affairs will be interested in the work of the Special Committee on Penitentiaries. How can we man both? And are the officials of the Department of Justice to be bifurcated again? Do they have to attend two different committees? It does not seem sensible. Why should not the standing committee lay out a program and decide what it will do? Could it not deal with the estimates first, the private bills and legislation referred to it second, and third, the penitentiary situation? Of course the order could be changed.

I know, sir, that in respect of the work with regard to penitentiaries it is the desire that the other place should name members to join us. But I suggest to you that that does not justify a special committee. Surely if the government chose to it could refer this particular matter to the standing committee on justice and legal affairs along the lines of the motion now on the order paper, the terms of reference of the motion then to include a clause to the effect that, the Senate be invited to join this standing committee at the time it is undertaking its study of this subject.

There is no reason, just because we want the other place to join us, that we cannot make use of the standing committee of the house. I am confident we shall find great difficulty in manning and staffing these committees if a subject which comes under one of these standing committees is referred to a special committee instead.

Further, with regard to the matter of penitentiaries and the penitentiary program generally, I was naturally somewhat interested to hear the minister say that the program which was conceived as a result of the correctional reform committee's report in 1960 forms the basis of the present program. I have some reservations whether the program has in fact been speeded up or whether on the contrary it has been slowed down. I have indeed a very serious question to raise here. Whether it has been speeded up or slowed down, it remains a very heavy, important and far-reaching program.

The commissioner of penitentiaries in charge of that program has a very heavy responsibility. He has demonstrated his ability to carry it out. I am surprised therefore and disappointed that the commissioner of penitentiaries has not received the increase in salary which was received I think by practically all, if not all, the officers in the public service in positions comparable with his. I think that is something which ought to be rectified as quickly as possible.

The other question that I raise and will have more to say about later concerns what I regard as a serious departure from the program of construction and one which I think can only have the effect of delaying the most urgent area of all and that is in the construction of minimum and medium security institutions. I refer to the decision to build two Alcatraz-type prisons.

• (5:40 p.m.)

This is a matter which was reviewed at least twice, if not three times, when I had the responsibility for the administration. I felt then and I still feel that it would be a mistake to build more super fortresses at least until we have completed the re-organization which will make it possible to work on a regional basis of responsibility with a proper complex of institutions in each region. We have enough of these fortress-like maximum security institutions at the present time. Surely the concentration should be on building institutions which will make it possible to take men out of prisons like St. Vincent and Kingston in order that such places may be razed to the ground. Those old buildings cannot be made to serve the concept of any up to date correctional program. And so I regret very much we should be building more maximum security institutions before we have completed the other program.

I find in addition that there are at least two medium security institutions, one of them planned for the eastern townships and one of them a young offenders institution, which were in the program as we envisaged it but which do not appear at the present time. I shall have more to say about this in the appropriate committee. I was glad to hear the Solicitor General say it was expected to get 21 more people on the parole board. This work is surely fundamental to a correctional program. I know the board has been hampered in the past by lack of staff. I hope that when the newcomers are trained there will be a speeding up in the granting of releases from penitentiaries under parole supervision and that more prisoners will be let out under supervision instead of having to wait as is now the case until the completion of their

sentences. Supervision is all important and it cannot be given unless the department has a good staff.

Finally, I wish to refer briefly to the Combines Investigation Act. I raised this matter by way of a question the other day. The President of the Privy Council replied in effect, it seemed to me, that the government regards professional hockey as a service. I do not see how anyone could possibly pretend that this profitable, highly organized, almost industrial activity—that is an exaggeration; but I do not see how this highly profitable, highly organized, closed corporation which now runs professional hockey in the senior league in Canada and the United States can be regarded as a service.

I do not say that at the moment it comes within the purview of the Combines Investigation Act. If it does not I think the act should be amended. But I would be reasonably satisfied that it could not be said that the reason it does not come under the Act is that it is a service. It is not a service. I suggest we need to look at this situation because it is one which gives grounds for concern. The President of the N.H.L. was perfectly candid about it when speaking on a C.B.C. television program the other night. He said, in effect: This is not a sport; it is a business and we are in this business for profit. That is what Mr. Clarence Campbell said. Let us not obscure the issue then by wondering whether hockey is a service.

The Deputy Chairman: I am sorry to interrupt the hon. member but his time—

Mr. Fulton: I have concluded what I wanted to say, Mr. Chairman. I wish only to ask the government again to take a searching look at the policy it proposes to implement should it divide this department into three. I hope they will reach the conclusion that it would be a gravely mistaken policy.

Mr. Otto: Mr. Chairman, I listened attentively and sympathetically to the righteous indignation of the hon. member for Greenwood. I am glad he is present in the committee at this moment. I think we are all stirred and disturbed about the bankruptcy situation. I think too that the hon. member would not mind if I were to continue along the line he took and point out that, although we are justified in being indignant about the situation, it is a situation which seems to me to have little application to the present Minister of Justice.

[Mr. Fulton.]

I am not one to defend ministers. I never was. I agree with what the hon. member had to say and with what was said in the briefs he read from the Lumbermen's Association, namely, that a great deal of the blame must fall on trustees, on creditors, and on lawyers, though they were never mentioned, as well as on fraudulent debtors.

If I heard him correctly, the hon. member said there was no reason in the world why inspectors on the staff of the federal government could not control these trustees. Let us carry this a step further. Let us suppose such control is exercised. There will be no need to go to Quebec or to British Columbia to find out what the reaction will be. It will be forthcoming right here in Ontario. What will the Law Society of Upper Canada have to say? What will the professional organization of the chartered accountants have to say? I think the idea is a fine one. I believe it has merit. But before results can be achieved there is an even greater problem to be solved. As the hon. member pointed out very well in a speech he made during a discussion on the constitution, this is the test, a test which should be applied now by the provinces in connection with co-operative federalism.

My remarks will be directed to many other fields connected with the whole concept of justice. Co-operation has to be established generally if we are to achieve anything as a result of the work of the department in criminal investigation and in the attack on organized crime.

I was not surprised to find some reaction to the proposal to split the department into two. I admire this move. I think this is reform because at least it is a change. I hope it is done properly. I am all for change. The minister would agree with me that change is one of the most difficult things to introduce, because all those who know and rely on the old establishment are enemies of change and doubtful about what their position will be under a new system.

• (5:50 p.m.)

Reform will have to come. Is there any doubt in anyone's mind today that we do have organized crime? I think the evidence suggests that crime has now entered into fields it has never entered before. It is mobile. It is international. Yet we are trying to deal with it on the basis of very old concepts of police work and law. This is why it will be necessary to introduce changes. We are going to see organized crime in the field of bankruptcy, as has been pointed out. There is

some evidence of organized crime in the liquor business. We see it in the business of usury, in the traffic in narcotics. We see it in those elements of our business life which, though perhaps not strictly illegal, are quasi-moral. We are likely to find heavy pressure put on us to legalized sweepstakes. This will invite that element of society. We are going to have pressure brought to bear upon us to legalize the whole idea of birth control measures. Again, it does not take much to imagine where crime will move in that field and we shall have to come back forcefully with new techniques.

As the hon. member for Kamloops pointed out, we have a division between the local, provincial and federal police forces but with the multiplicity of crime today we need closer co-operation between those forces. We depend on the local police force to give us the immediate information and we need the centralized R.C.M.P. to exercise their administrative powers to provide greater co-operation.

We shall have to change laws and we shall have to accept such changes in laws. We shall have to accept changed techniques in police work and we shall have to adapt our laws to those new techniques. Privacy may be lost. The hon. member for Burnaby-Coquitlam has been disturbed about incidents connected with a person's freedom but we will have to face this problem and deal with it in such a way that we preserve the individual's freedom while at the same time allowing new methods of police work.

We shall have to introduce new methods that will keep pace with the sophistication of crime because criminals are not slouches any more. They are very jet age and we cannot stop them with old theories and old techniques. The police may have to use listening and radio devices that will interfere with privacy.

We shall have to introduce legislation dealing with the fourth estate to prevent the press from publishing things damaging to the individual. We shall have to get accustomed to the idea that freedom will have to be protected in ways different from those used in another age.

Today there are about a dozen manufacturers of machines such as lie detectors. I am given to understand on good authority that using new techniques and equipment, including drugs, we can find out the truth or falsehood of any statement. This is a scientific fact but we still depend on 12 men serving as a jury to decide between truth and falsehood. Even 12 first class psychiatrists cannot do that as well as machines can; yet our laws prohibit the use of those machines.

We shall also need greater respect for police forces and police administrators, but that respect cannot be forced. It must come naturally. We can understand journalistic pride in stories appearing in the press but our police forces require good public relations. However, they do not employ even the semblance of public relations officers.

All this will be for nothing unless we seriously tackle the question of penal reform and rehabilitation. We are really doing nothing if 41 per cent are still repeaters, as pointed out by the Solicitor General. Today we spend more on shoes and boots for prisoners than we do on research and rehabilitation, and from what I understand the prisoners do not walk anywhere, except on the odd occasion.

We shall have to co-ordinate our efforts with those of the United States. There the position is no better. Just recently an article was published by two psychiatrists, a brother and sister team who, working at their own expense, found that they can predict criminal tendencies in children as young as seven and eight years. Their findings can be verified to an accuracy of almost 80 per cent. These two doctors have worked on their own and we do nothing to support them.

We shall have to co-ordinate all these efforts. We need qualified people. I think the minister is doing a fine job. I like him personally and I defend his position. I think we can trust him to do a good job.

Mr. Nielsen: He is too forgetful.

Mr. Otto: I have said I think he is a good minister. I trust and hope he will continue with his reformation despite all the objections that are going to come his way, and they will be many, in his efforts to bring the Department of Justice up to the reality of today's world.

Mr. Winkler: The hon. member referred to the responsibility of lawyers in the matter of fraudulent bankruptcies of companies. Would he make any reference to the responsibility of directors of companies?

Mr. Otto: Certainly, directors and lawyers. I still think that in most cases the shareholders, directors and other people involved are honest and that the bankruptcy is necessary but there are some cases of fraud.

Mr. Nielsen: Could the hon. member tell us about Kingsland Estates?

Mr. Otto: I thought that was coming, but if the hon. member for Yukon will just refresh his mind he will find that I stood in court demanding an inquiry on behalf of certain shareholders and gave evidence in connection with what I alleged to be fraud, and 30 lawyers representing creditors booed me because they wanted their money even if it was stolen. I asked the court as a friend of the court, an officer of the court, to initiate an investigation, and I must say that the Attorney General for the province of Ontario has not seemed to move at all in this matter. In fact—

[*Translation*]

The Deputy Chairman: Order. It being six o'clock, I must now leave the chair.

[*English*]

BUSINESS OF THE HOUSE

ESTIMATES—ORDER OF CONSIDERATION

Hon. Michael Starr (Ontario): Mr. Speaker, if I may be permitted, I have a number of suggestions to make in order to expedite consideration of the estimates. My first suggestion to the house and to the government is that consideration of the estimates now before us, those of the Department of Justice, be suspended until tomorrow and that we also get agreement to forgo the private members' hour. Then we are prepared to consider National Revenue without debate, Privy Council without debate, Legislation without debate, and Post Office Department without debate.

• (6:00 p.m.)

Then we could proceed with the Department of Veterans Affairs. We are prepared to make one suggestion on the first item and then pass those estimates, also the Department of Fisheries with one suggestion and Forestry with one suggestion. There may be special inquiries in respect of the last three and some questions on certain items. In order to pass all these departments I suggest that we not pay any attention to the clock when it reaches the hour of ten and that we agree to sit to clean up these departments.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, we would agree to what the hon. member for Ontario (Mr. Starr) has just proposed reasonably, that is to forgo the private members hour tonight and come back tomorrow to the estimates of the Department of Justice.

As for the estimates of the other departments mentioned, however, we would have a

member speak on the Department of National Revenue. We are ready to pass without debate the estimates of the Privy Council, Legislation, Post Office, Veterans Affairs, as well as Fisheries. However, in connection with the Department of Forestry, and specifically as far as ARDA is concerned, we would have a few remarks to make, and perhaps two or three members of our party would be interested in speaking on those estimates.

I wonder whether the hon. member for Ontario would agree to an exchange: instead of speaking on Fisheries and Veterans Affairs, we would spend more time on the estimates of the Department of Forestry and ARDA.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this proposal does not take us by surprise; there have been some discussions on it. I may say we are in general agreement with it, although there are one or two points of detail about which I should make our position clear. The most serious proposal in the suggestion of the hon. member for Ontario is the inclusion of the Department of Fisheries. We have members who feel there must be a little more time spent on these estimates than is suggested. We would like that department deleted from the list for this evening.

We are prepared to waive the private members' hour and we are prepared to take up the other departments the hon. member mentioned. Although there may be some questions, we have no intention of carrying on an extended debate. We think if these adjustments are made the program outlined could be completed by ten o'clock and that it would not be necessary to go beyond that hour.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, we believe the proposals which have been made by the hon. member for Ontario are reasonable and we do not raise any particular objection because, first of all, we soon will have before us the new estimates for the following year at which time we will be able to deal thoroughly with the various matters which are of concern to us. We recognize, of course, the fact that the Department of Fisheries is a very important department as is the Department of Veterans Affairs also. However, as I have said, in view of the fact that we will be moving on to the new estimates we are prepared to co-operate with the plan which has been suggested.

Mr. Starr: Mr. Speaker, may I be permitted to say another word? Because of the objection by the hon. member for Winnipeg North Centre in respect of the Department of Fisheries, may I suggest that this department be left to the last and then if we are finished in time we can start on it in any event.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I should like to thank the hon. member for his suggestion. It seems to be a very good one. If we agree to waive the private members' hour tonight that will be the first step and then we can call the departments indicated. I think I can undertake now that we would not call the Department of Fisheries tonight and we would revert, of course, to the Department of Justice tomorrow. If later in the evening there is some other department to be called in place of the Department of Fisheries, this would be done only after discussion with representatives of the other parties.

In respect of sitting beyond ten o'clock, I think it is better that we do not ask for any kind of formal order now. There seems to be a general consensus that we try to finish this program tonight and I hope this can be achieved.

Mr. Knowles: Mr. Speaker, may I thank the hon. member for Ontario and the government house leader for agreeing to the slight amendments. May I assume from what the house leader has said that it also will be firm that we will revert to the Department of Justice tomorrow?

Mr. McIlraith: Yes.

Mr. Knowles: I think emphasis should also be given to the remark of the hon. member for Fraser Valley to the effect that when the house is doing this we will be doing it in the light of the fact that we will be on the estimates for 1966-67 very shortly.

Mr. McIlraith: Yes. It is the government's intention to submit a supply motion at the first opportunity when these estimates are concluded in order to have the new estimates brought before the house and referred to the appropriate standing committees.

Mr. Speaker: Order, please. Is it my understanding of these discussions that there will be an order of the house for the suspension of the private members' hour?

Some hon. Members: Agreed.

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock this day are as follows: The hon. member for Sherbrooke (Mr. Allard), Family allowances—possible increase of allowances; the hon. member for Lincoln (Mr. McNulty)—

[*English*]

National Capital Commission—Publicity promotion in connection with centennial; the hon. member for Saint John-Albert (Mr. Bell), Atlantic Development Board—Inquiry as to additional assistance to maritimes.

SUPPLY

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

The Chairman: When the committee rose at six o'clock vote No. 1 of the Department of Justice was being considered. Is it agreed that vote No. 1 stand in accordance with the agreement reached when Mr. Speaker was in the chair?

Some hon. Members: Agreed.

DEPARTMENT OF NATIONAL REVENUE

Customs and Excise—

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, $45,485,600.

The Chairman: Shall vote No. 1 carry?

Some hon. Members: Carried.

[*Translation*]

• (6:10 p.m.)

Mr. Grégoire: Mr. Chairman, we have a few remarks to make about item 1. I wonder if the Minister of National Revenue is in the house.

[*English*]

Mr. Pepin: He is here.

Mr. Knowles: He has been there for the last half hour.

[*Translation*]

Mr. Grégoire: There he is, I see that he has been moved to another desk.

Mr. Chairman, it is a matter which we have been discussing for some time. The

minister knows what it is. I only want the minister to tell me if he has taken steps to improve the situation within his department and I am talking about the famous receipts for charitable donations, a matter which creates numerous problems every year when the time comes to file income tax returns.

Again this year, instructions were given by the department to income tax collectors and inspectors to audit the books of parish priests and curates, all the books there might be in the rectories.

Unfortunately, consideration of the estimates of the Department of National Revenue started rather quickly and I did not have time to go to my office to pick up a letter sent to Quebec district parish priests by the Quebec taxation office. The letter states that parish priests must give full particulars of their bookkeeping if they want their receipts for charitable donations to be accepted. Furthermore, inspectors or assessors reserved the right to "cut down" charitable donations receipts as they see fit.

I want to point out to the minister that the situation we complained about last year, the year before and the year before that has not changed a bit. Taxpayers send their receipts, duly signed by their parish priests to the income tax office and inspectors, without making any inquiry—and this is the point I want to make—reduce the amounts of receipts at their discretion and according to their whims. And depending on whether or not they got out on the wrong side of the bed, they slash or cut down the receipts for charitable donations. There may be some abuse, but it is not up to me to look into each case. On the other hand, we wonder whether the Department of National Revenue, when the inspectors decide to reduce the amounts of the receipts, have the decency to look into the case and get in touch with the taxpayer.

At the present time, a general decision is applied. All receipts are shaded to the same amount: everyone's receipt is reduced to the same amount. There is no inquiry, no inspection, no checking. A dictatorial decision is made by income tax inspectors who decide to slash all receipts alike. This we must not tolerate. If the receipt is not acceptable, let there be an investigation with the taxpayer; let the parish priest be asked if his signature appears on the receipt, if the amount indicated has really been given. There is no need to check the bookkeeping or to set up a police system within the rectories. It is only a matter of inquiring of a taxpayer or at least of explaining to him why his charity receipt has been reduced.

At present, this is done in a uniform manner and without investigation. In order to solve the existing problem, I think the minister should adopt a new formula. We have already suggested a formula on this side of the house, and the minister said two years ago, and again last year, that he would take it into consideration. The minister has been saying, for as long as three years, that he would consider a new formula for charity receipts.

Let it be an automatic deduction or a percentage. We had suggested a deduction of 10 per cent for the first $3,000; of 7½ per cent for the additional or next $2,000 and 5 per cent for the rest, on an automatic basis, without requiring receipts, given automatically as a deduction. The minister was to study the matter and try to find a solution. I know it is a difficult problem, but I think a solution can be found or, at least, the inspectors and assessors should be asked not to be as arbitrary as they are today, deciding without checking and without investigating. They decide on their own and if the taxpayer is not satisfied, it is up to him to pay for an appeal from the civil servant's, the inspector's decision.

The department does not pay the costs when it contests a taxpayer's income tax return. The department decides on the changes, and the taxpayer is the one to pay the costs so as to prove that his income tax return was correct.

Mr. Chairman, I do not want to linger on the subject any longer. I am sure the minister knows what we think; I feel that he has had enough time to find a solution to the problem and that he should be able to make a statement on this subject today.

[*English*]

Mr. Benson: Mr. Chairman, as the hon. minister for Lapointe has stated—

Mr. Grégoire: Later; in a couple of years but not yet.

Mr. Pepin: Perhaps in a couple of centuries.

Mr. Benson: I am not sure I will live that long. As my friend has said, there is a serious problem in regard to charitable donations which has been under consideration for a number of years. There have been instances in Canada, and I do not attach them to any

area or charitable organization, where some abuses have occurred in the past. Over the past several years our department has tried in several ways to tighten up the administration so that people can claim the actual amount they contributed, no more and no less. There have been a few instances, as a matter of fact, where we have had to prosecute people for issuing fraudulent receipts.

Under the existing statute there is provision for allowing individuals to claim a deduction, a flat deduction of $100. There is also a provision which allows them to claim any amount of donations actually made up to 10 per cent. As my hon. friend knows, this is not an amount that is allowed in every case; it has to be substantiated. I should like to support my department by saying that in no instance have we disallowed receipts for charitable donations without having some basis on which to arrive at the conclusion that the receipts issued by certain charitable organizations recognized under the Income Tax Act have been in excess of the actual amount of money received.

In instances where we have disallowed claims for donations we have gone to the people who have issued the receipts and asked them on what basis the receipts were issued. When the answer had been that the receipts were issued on the basis of a taxpayer's statement that he had given that much money we have questioned this and asked whether the individual representing the recipient was willing to vouch for the fact that the taxpayer had actually given that amount of money. When the individual involved, the officer in charge of the recipient charitable organization, said he would not give that kind of confirmation because receipts may have been issued in excess of the amount received we have disallowed the claim. We have always considered each individual case on its own merits.

In cases where we have disallowed a taxpayer's claim we have taken the cases to the charitable organizations involved and asked whether they would agree that the amount of money claimed was actually donated. If confirmation is forthcoming we have allowed the complete claim for the donation.

The Carter commission, which has been studying taxation laws in Canada, has been looking into the matter of charitable donations in Canada. Perhaps as my hon. friend suggests it might be better that we have some sort of over-all amount beyond the $100 and allow taxpayers to claim that amount of money as charitable donations.

• (6:20 p.m.)

We shall probably have to wait until we receive the report of the Carter Commission containing their ideas in this regard. However, I should like to impress upon the hon. member for Lapointe that it is the duty of my department to administer the statute as it has been enacted by the Parliament of Canada. It is the duty of my department to make sure that people pay the taxes they are obliged to pay under the statutes and yet treat them as fairly as we can.

Over the past two years since I have been minister I have received many letters from the hon. member for Lapointe. I believe in every specific case the situation has been looked into and the solution which appeared proper has been arrived at. The situations that exist under the Income Tax Act is that it is up to the taxpayer to prove he has paid out a certain amount of money or has made specific donations. We have not in any case questioned the integrity of people except where we felt this was warranted.

If every charitable organization kept an up to date record of individual donations received from people and issued receipts at the end of the year, there would perhaps be no problem whatsoever with regard to charitable donations.

[*Translation*]

Mr. Grégoire: Mr. Chairman, it is precisely what the minister just said, if the organizations kept a detailed and accurate record of the donations they received, but that is not exactly the way things are done. If the Minister of Mines and Technical Surveys (Mr. Pepin), who is now sitting beside the Minister of National Revenue, attends Sunday mass in his church and puts two dollars in the collection plate; he is not going to stop the priest or the churchwarden passing it to ask him for a receipt. And that priest or that churchwarden does not carry a ledger with him in which to write down the amount given by the hon. member for Drummond-Arthabaska.

Mr. Pepin: Mr. Chairman, I belong to a parish where envelopes are used and all this is done quite accurately.

Mr. Grégoire: I might add, Mr. Chairman, that we want to talk about that system of envelopes. Another system is to be adopted, and the Department of National Revenue is wishing it on us, on our churches. A system

of envelopes is to be adopted and, assuming we are dealing with the member for Drummond-Arthabaska, his name, his address, his telephone number and a number to identify him correctly will be found on the envelope; we are being driven into making a classified thing out of charity. The name must be given, the telephone number and all. Why should the two thousand year old tradition, with regard to charity be changed, namely that the left hand should not know what the right hand gives?

That is in the Gospel, Mr. Chairman. And yet, the Minister of Mines and Technical Surveys seems to approve the change in the methods used. Mr. Chairman, everyone does not like those methods, or like that change. That is precisely the crux of the matter: in certain areas or provinces, the circumstances are not the same as elsewhere and this fact is being ignored.

Let us take another example. There are some community organizations with charitable purposes, such as assistance to needy children or others, for instance the Richelieu Club. How are contributions collected? Well, a person is fined $1.00, $2.00, $3.00, but the collector does not have any receipt book and does not give receipts for those amounts. But if you ask certain members of the Richelieu Club, they will tell you that they donate $50 or $60 every year for which they cannot produce a receipt. In some parishes, a parishioner may give $1.00 every Sunday and another member of his family may do likewise, but since no receipts are handed out and there is no system of envelopes, such as in the parish of the hon. member for Drummond-Arthabaska, then, it is another $50 or $60 for which the taxpayer has no charity receipt. How can you expect the parish priest to say or guarantee such a thing? These are the conditions that vary according to the areas, parishes or provinces. It is this difference in mentality between areas that should be recognized by the minister. And that is the reason why we are bringing up this problem in order that a solution may be found.

I admit that it is not easy and that the act is there. I cannot say I am in favour of this act that robs everyone through high taxes such as we have today. But the act is there and as long as the members do not change it, it is always there and the minister's responsibility is to enforce it. Just the same, he should not forget the considerations I have mentioned.

[Mr. Grégoire.]

The minister was telling us a little earlier: if anyone can prove that he has subscribed to a charitable organization, we will accept that evidence. Is not a receipt issued by a parish enough? Then why do the income tax officials and inspectors insist on cutting down right across the board?

The minister tells us that an investigation is made in each case. Well, I can tell the minister—and I will do it when we consider his next estimates, which should not be so far off—that I will point out cases of parish priests who were never visited or taxpayers who were never investigated but whose receipts for charitable donations were cut down automatically, systematically, uniformly and dictatorially to such an amount. And that exists. I hope that the minister will take these remarks into consideration and not come to us with generalities and forget that differences might exist in the various provinces of Canada.

[*English*]

Mr. Herridge: Mr. Chairman, you will not find my complaint in the gospel but you will find it in the Bill of Rights. I have risen to bring this matter once more to the minister's attention very briefly and ask for the assurance that something will be done to correct this situation in the near future. The question I raise affects the lives of some 2,000 people in my constituency. This problem has been created because of a conflict between the B.C. Hydro and Power Authority and the Income Tax Act and regulations. The minister has been most co-operative in this regard and I know he is having a study made in this matter. I wish to read briefly from a letter written to one of my constituents, the owner of a very excellent farm in the Arrow Lakes area, a first world war veteran who is now 83 years of age. The letter reads:

> Earlier this year you had some dealings with Mr. Ronald D. Grant and our Mr. T. G. Mead as a result of which we understand that you are not willing to allow the Authority to appraise your property unless you are provided with a breakdown of the appraisal. The provision of this would be contrary to our policy and inconsistent with the practice which we have followed in dealing with other owners in the area.
>
> We are therefore not willing to provide you with such a breakdown. As mentioned to you by Mr. Mead, we feel that our only course is to proceed with expropriation and, in view of our requiring your property in connection with the reservoir clearing scheduled for the spring of 1966, this file has been forwarded to the writer with instructions to proceed to expropriate pursuant to the British Columbia Hydro and Power Authority Act, 1964.
>
> Yours very truly,
>
> J. N. Holmes
> Solicitor

I raise this matter briefly, Mr. Chairman, because a good number of people in the Arrow Lakes area are very concerned about it. Properties are now beginning to be expropriated and to date these people have refused to accept the appraisal figure because in some cases depreciation of barns, business premises and so on has been claimed. I appreciate what the minister has done to date but I do ask him to let these people have as soon as possible the instructions they should receive from his department because they are very concerned about the situation that exists at the present time.

Mr. Benson: Mr. Chairman, the hon. member for Kootenay West has raised this question with me and my department has tried to do everything possible in order to work out a solution. Of course, I cannot accept responsibility for the administration of B.C. Hydro.

Mr. Herridge: I hope not.

• (6:30 p.m.)

Mr. Benson: I am very pleased that I do not have that honour. However, I should like to assure my friend that we have no authority to force B.C. Hydro to put a valuation on property and the various components that they are expropriating. If they did this it would be much easier for the taxpayers to deal with the matter of receipts they have received and whether or not some part of them, in many cases a small part, would be taxable. My deputy minister has already been in touch with the taxation office in British Columbia with regard to this matter and has instructed them to give every assistance to the taxpayers involved.

If a breakdown between capital items and items which may involve income or recapture of capital cost allowance is not given by British Columbia Hydro we will in each instance try to work out a fair and sound basis as to the various parts of the receipts to be applied to various purposes. We will do this through appraisals or other methods which may be available to us.

Item agreed to.

Taxation—

5. General administration and district offices, $46,278,100.

Mr. Barnett: I have one or two questions I should like to address to the Minister of National Revenue arising from the fact that his department as of the first of this year assumed a very important new responsibility in the area of collecting contributions for the Canada Pension Plan. I realize that this administrative responsibility stretches across most of the country and involves people in a great many different occupational groups.

First of all, I should like to ask the minister whether, apart from the general information that has been issued in connection with the coming into effect of the Canada Pension Plan, his department has issued bulletins or informational documents dealing with the application of contributions according to any division of occupational groups which would provide definite information to these groups of their position under the plan?

Mr. Benson: Since my hon. friend comes from British Columbia I assume he is very much interested in the fishing industry. I should like to indicate that my department is continuing the work started last fall. Representatives of my department have visited many employers in Canada. I received a delegation from the fishing industry of British Columbia in my office the night before last. I offered to send someone to British Columbia within the next two weeks to look into the situation of the fishermen with regard to whether or not they are self-employed or employees under the Canada Pension Plan.

Mr. Barnett: The minister appears to be something of a mind reader. He is quite correct when he suggests that what I have in mind at this time particularly is the situation of the fishermen as an occupational group. The minister will recall that when the pension plan was under consideration I, along with other members of the house, suggested that so far as the Canada Pension Plan was concerned fishermen should be in approximately the same position under the plan as they are under the Unemployment Insurance Act.

At this point, Mr. Chairman, I am not going to launch into a debate with the minister on the question of whether or not the plan should be amended in the way I have suggested. I am glad to know the minister is taking steps to look into the situation of the fishermen of British Columbia. Since he has indicated he met some of the fishermen recently, he must be aware of the fact there is no very clear line of definition whether or not a fisherman is an employee within the terms of the act as it stands. I am glad to know that some steps are being taken to clarify this situation. I hope that the clarification of the

existing Act will bring some results for the fishermen. Since the minister has given me this information, I will not pursue the matter any further at this time.

Item agreed to.

PRIVY COUNCIL

10. General administration, $1,098,400.

Mr. Nielsen: I have one quick question, Mr. Chairman, on vote No. 10. I have a motion for the production of papers on the Order Paper, No. 89, which calls for the production of copies of correspondence between the Prme Minister and any minister of the Crown and the Industrial Development Bank at Sudbury and Toronto and replies thereto. I wonder whether the minister can now give me an indication when I can expect production of these papers from the Prime Minister's office?

Mr. Favreau: If I am not mistaken, Mr. Chairman, this matter comes within the jurisdiction of the Minister of Finance.

Mr. Nielsen: I agree that the Industrial Development Bank does but I am calling for the production of papers from the Prime Minister's office. The minister can give me some indication when I can expect this return.

Mr. Favreau: I undertake to take the question as notice and refer it to the Prime Minister.

Item agreed to.

The Chairman: This completes the estimates of the Privy Council.

Mr. Favreau: I wish to thank hon. members for their co-operation.

LEGISLATION

5. General administration, $1,077,200.

Mr. Peters: It is unfortunate that we are not going to allow the Speaker to make a statement on this item tonight. However, I request that some consideration be given to a written report covering some of the things that are the responsibility of the Speaker and which have been discussed in the past by members of parliament.

• (6:40 p.m.)

I refer to one matter in particular, the arrangements concerning the law clerks which have been discussed in the past. Joint law clerks have not been provided for some time. There may be considerable discussion about this matter and the legislation surrounding it but I think that this and a number of other problems should be brought to our attention in some different way than is normally the case.

There have certainly been great changes here in the last year or two, some good some not so good. I think this matter could be discussed more intelligently by a committee, it being a field that I think members should take a more active part in than they have in the past. I suggest that a report be made to the house on some of the activities in this regard. It would not necessarily need to be discussed but could be dealt with in a different manner from that to which we have been accustomed.

As I say, some of the changes which have been made have been successful. There have been wide investigations and many studies made. Members are familiar in a very abstract way with some of the decisions that have been made. I think there is an interest in this question which could probably be satisfied by making an annual report.

Item agreed to.

The Chairman: This completes the estimates of Legislation. The committee will now proceed to the discussion of the estimates of the Post Office Department.

POST OFFICE DEPARTMENT

1. Postal services including Canada's share of the upkeep of the International Bureaux at Berne and Montevideo, $221,303,000.

Mr. Nielsen: Mr. Chairman, I just want to ask the minister for one assurance. In the Yukon prior to 1957 the Post Office Department's contracts for the movement of mail to and from various communities went to friends of the party which at that time formed the government. After the government changed in 1957 that situation was altered. When contracts for the transportation of mail expired, public tenders were called and the policy adopted was that the lowest tender obtained the contract. This resulted in every case in a saving to the taxpayer of Canada. It was at my urging that this was done.

This situation was carried through so far as I know until 1963-64. The minister will find that his files are well documented with correspondence from myself in which in several cases I decried the practice of patronage in the allotment of these contracts and insisted in all cases that they go out to public tender regardless of whether or not a potential contractor for the carriage of mail belonged to the Liberal party, the Conservative party or to any other political persuasion.

I should like the minister's assurance now, because I have some reason to believe that this may not now be the case, that this practice will be continued in the Yukon. The people there desire it and it is the fair thing to do. It also results in every case in a saving to the taxpayers of Canada.

[*Translation*]

Mr. Côté (Longueuil): Mr. Chairman, I can assure the hon. member for Yukon (Mr. Nielsen) that if there was any patronage within the Post Office Department in the past, it seems to have stopped a few years ago, particularly since I was appointed to that department. I intend to stamp out any patronage I ever discover within the department.

[*English*]

Mr. Nielsen: I am very reassured to hear that statement by the minister. However, so far as the Yukon is concerned, and I speak for my constituency now, in every instance of a contract for the carriage of mail to and from any community will he assure me that in all such cases the contract will go out to public tender on its expiration?

Mr. Côté (Longueuil): Even if I thought a renewal would be the best thing would the hon. member like the contract to go out to tender?

Mr. Nielsen: Yes.

Mr. Côté (Longueuil): I think I can assure the hon. member that for all contracts over $5,000, let us say, we have established the policy that they go out to tender. Perhaps instead of a four year term we may make it a five year term so that the contractor has a chance to recoup the money he has invested.

With regard to contracts below this amount, in many cases the contractors have earned their livelihood and have been in this business for 10 or 12 years and are not able to do anything else. If we put the contract out to tender in these cases, most of the time these people would have to underbid their previous price, which I do not think would be a big help to the department because the contracts might not be paying propositions. The tenders might be $200 or $300 below the previous bid and these people would have to struggle for a long time to try and make a living on the small amount earned. I am studying a policy to deal with this matter in a way not only for the good of the department but also for the good of the man who has the contract.

Mr. Nielsen: One final word in this regard, Mr. Chairman. I know it is difficult for the minister to conceive the situation in the Yukon 4,000 miles away. I know that his remarks just now were made in the light of this kind of contract on a national basis where transportation and economic difficulties may confront individuals with these contracts in other provinces and territories which do not confront the contractors in the Yukon. All I am directing my remarks to now is the situation in the Yukon where it is the opinion of the people generally that the only fair way to deal with the situation is to give the opportunity to every Canadian taxpayer to bid on these contracts. The minister will find on a review of the situation in the Yukon that in every case it saves money, the service is not impaired, and so far as I know the individuals never go bankrupt.

Mr. Howe (Hamilton South): Mr. Chairman, I have a matter on which I want to speak very briefly. However, it is one which to my way of thinking is important. It is a purely local matter that concerns Hamilton. On three occasions now I have put a question on the order paper about mail delivery between Hamilton and Toronto, Hamilton being Canada's sixth largest city and Toronto being Canada's second largest city and being only 40 miles apart.

• (6:50 p.m.)

A mail service from Hamilton to Toronto takes place approximately eight times a day starting about 6.30 p.m., going through the night and ending at approximately ten minutes to eight in the morning. In other words, in the daytime there is no mail delivery from Hamilton to Toronto during business hours. In the same manner there is one delivery of mail during the daytime from Toronto to Hamilton. Apparently mail is picked up at the Toronto-Hamilton International Airport and stops are made at every small town in between which means that it takes approximately three hours for the run from Toronto to Hamilton.

This situation has caused me to receive a lot of mail in my office complaining about the lack of service between Hamilton and Toronto. Special delivery mail sent out during business hours arrives the next day and is very likely delayed because of the red tape that it goes through. It seems to me it would be of service to the people of Hamilton and Toronto if important documents such as legal

documents and the like that normally go by special delivery were delivered during business hours in the daytime.

On inquiry I found that an autobus leaves Hamilton every hour on the half hour. It would seem convenient to have at least one or two deliveries a day of a bag of special delivery mail or even ordinary mail from Hamilton to Toronto. I am not as concerned about mail in the other direction. But I do think that there should be some service whereby special delivery mail from Toronto to Hamilton arrives during working hours.

This situation has been a constant cause for complaint for almost three years. I think the minister might take this into consideration to see if some change could be made in the present system.

Mr. Côté (Longueuil): I shall certainly do so, Mr. Chairman.

Mr. Aiken: Mr. Chairman, I want to raise one small matter on these estimates. It has bothered me for some time and I should like to draw it to the minister's attention. The matter I refer to relates to the low bid system for the carriage of rural mail.

In essence I have no objection to the system because I think it is the correct one and the best that can be devised. The difficulty that arises, arises after tenders are called for mail carriage on a rural route and one tender is so much lower than the others that it is quite obvious that something is wrong with the tender. When such a low tender is received either the person tendering does not know what he is doing and has no knowledge of estimating his costs or he is tendering purposely low in the hope of getting the contract and then applying to the department for an increase. These two situations cause difficulty.

With respect to the first situation where a man does not know what he is doing, I have had occasion in the past to point out several times to the Post Office Department that the low bidder could not do the job and that sooner or later he would either have to abandon his service or else operate such a poor service that the department would be forced to step in. The low bid system has resulted in the authorities saying, "Well, we are sorry but we have to accept the low bid tender. We do not see anything wrong with the man. Nobody knows of anything wrong with his character and therefore we shall have to assume that he knows what he is doing". I think in cases like that the department ought not only to look at the matter twice but the department should in some cases refuse to accept that low tender. I know of several instances where the department has accepted such a tender, the job has been poorly done and eventually the contractor has had to get out, with resultant bad service for a period of weeks or even months. One reason for such low tenders is bad estimating by the tenderer.

Second, sometimes when a person wants to get a contract he hopes he can carry it at a loss for two years, after which time he will apply to the department for an increase. In such cases the department often grants an increase. I think that the position of the department with respect to any contractor who receives a contract through unfair competition by bidding too low should be that such a person should not be given an increase for at least the full term of four years of his contract. I know that in some cases where an increase has been awarded after two years the result has been to the detriment of those people who made a bona fide bid on a fair estimate of the job, because the initial contractor making the low bid took a loss for two years and then was awarded the normal scale again.

I wish to point this out because in both cases I think a contract ought to be refused. It ought to be refused if one bid is a great deal lower than other bids. If in accordance with calculations it is shown that the bid is far too low, the contract should not be given to the tenderer making that low bid.

I have come across this situation several times and I want to draw it to the minister's attention as a policy matter that ought to be considered. Similar problems arise in the Department of Public Works but that is not the concern of this department. The same thing arises where an unreasonably low bidder gets a job. The result is a terribly poor job. It is exactly that sort of thing that happens in the Post Office Department.

I would urge the department to be more careful and to reject these unusually low bids that are obviously not well considered or not bona fide.

Mr. Starr: Mr. Chairman, I do not usually speak on these estimates and my remarks will be quite short.

First of all, may I congratulate the minister and wish him well in his portfolio. I wish to bring to his attention a situation which has

developed over the past two or three years. I refer to the tremendous discontent among postal employees, particularly in large areas across Canada. In many areas where the cost of living or standard of living is higher than in other areas the over-all adjustment of pay has not been sufficient to take care of the every-day needs of post office employees. I am particularly stressing those areas in large industrial centres where wages received by postal employees cannot compare with the wages of industrial employees in that city or area. Consequently there is a tremendous turnover in employment. No sooner has a man been trained as a postal clerk or letter carrier than he makes application to a neighbouring industry and he leaves for higher wages.

I think this matter should be looked into. I realize that His Honour Judge Montpetit is now looking into the various grievances and complaints which have been submitted to him but I do not know for certain whether this area of consideration has been submitted to His Honour for his consideration and recommendation.

I think that because of the tremendous turnover resulting from the dissatisfaction among postal employees something should be done in order to steady the level of employment in this department. If the minister did nothing else but put minds at ease and bring about a situation as close to complete satisfaction as possible for the employees, I think he would have achieved something worth while.

• (7:00 p.m.)

Mr. Flemming: I rise to speak very briefly. First, I wish to congratulate the Postmaster General on having been elevated to his present position and to wish him the good luck which I am sure his good judgment will bring to him.

Next I wish to draw attention to a rural route in my own constituency about which I have written him—the hon. gentleman had the courtesy to give me a nice reply—and to emphasize the fact that in this day and age service three times a week is not good enough for any part of this great country of ours. I thank the minister for his courteous reply and express the hope that this reply will be followed by suitable action.

Mr. McCutcheon: There is one small item which I wish to bring to the minister's attention. It has to do with the smaller post offices in rural areas—I think they are called revenue offices or something of that kind.

Since the new Labour (Standards) Code was brought in, the service at the wicket in many of these smaller places has been curtailed so that employees can enjoy the 40 hour week. In many cases this has meant the public being denied the service to which I believe they are entitled, even though they may be living in a small community. I hope the new Postmaster General, whom I congratulate, will take some steps to see that places such as I have mentioned will obtain an improved service.

Item agreed to.

The Chairman: This completes the estimates of the Post Office Department for the year ending March 31, 1966.

Mr. Côté (Longueuil): May I take this opportunity to thank all hon. members for the great courtesy they have shown during the consideration of my estimates and for the good wishes expressed toward me and my department.

The Chairman: The committee will now proceed to consider the estimates of the Department of Veterans Affairs, vote one, to be found on page 502 of the blue book.

DEPARTMENT OF VETERANS AFFAIRS

1. Departmental administration, $6,694,000.

Mr. Ormiston: I am sure the Minister of Veterans Affairs would like us to expedite consideration of his estimates, as has been done in the case of other departments, but we are dealing, here, with individuals —deserving individuals—and the estimates therefore deserve more than a cursory glance.

However, since the Committee on Veterans Affairs has been most careful in the scrutiny of estimates in the past—and I am sure they will carry out their duties in future in the same manner—I think my remarks can be brief. If the minister continues to adopt the attitude he took in the committee in 1964 when he stated that the Pension Act and the other acts affecting veterans would come up for review by that committee, I do not think he is likely to run into much trouble.

Having said this, I would remind him that the estimates of the department have, in fact, been subjected to very little examination, since no committee was formed in 1965. I would suggest therefore that the minister should reaffirm his earlier statement and assure us we shall have an opportunity to discuss these matters. Such an assurance would be greatly appreciated.

It should be pointed out that we passed the amendments to the War Veterans Allowance Act very quickly only three days before the recess and that no groups or organizations were able to make representations concerning this measure. It would I am sure be appreciated if at the same time as they are making other pleas they could be allowed to make representations in connection with the War Veterans Allowance Act as well.

We appreciate some of the actions the minister has taken during the past year. I should like to pay tribute to the members of his staff. He has a wonderful staff not only here in Ottawa but across Canada. When one goes to them for assistance he finds them both competent and obliging. It is only right that these people who work so diligently should receive commendation.

We are sorry that the veterans pension was not raised by 20 per cent rather than 10 per cent, but we shall have another opportunity to discuss this at greater length. We appreciate the fact that a committee was set up to study the Canadian Pension Commission and its interpretation of the act. We realize this matter is more or less sub judice at the moment, but we will certainly welcome this report when it is published and we know the minister will treat its contents with that respect to which they are entitled.

As far as the investigation into the case of the Hong Kong veterans is concerned, I believe this was certainly a wise move. When this report is completed I am sure the minister will give it close scrutiny. This again is a subject which can be discussed in the committee when the minister has the time available.

I wish now to mention a few items which might be reconsidered when the Pension Act comes up for scrutiny. I enumerate them in order to give the minister an opportunity to examine them at his leisure. The first provision in the Pension Act which I would suggest revising is section 2(h). It is a definition of the phrase "dependent condition" and I think it should be reviewed as early as possible.

The next section which deserves scrutiny is section 13(2). We heard a great deal of comment during the discussion of the estimates of the Department of National Defence concerning pensions to those who have died in service, and the interpretation which has been placed on the surrounding circumstances. I believe that an analysis of this situation by the Minister of National Defence and the Minister of Veterans Affairs in co-operation would prove worth while and would yield beneficial results.

Section 14(4) is a touchy section. It has something to do with social diseases. While it might be indelicate to discuss this section now it is certainly one deserving further scrutiny.

Section 26(a) deals with pensionable children suffering from physical or mental infirmities and I suggest this might also be examined. In respect of any of these pensioners, payments are cut off when they reach the age of 21. For pensioners in the first of the two categories I have mentioned, this presents a difficulty should they be attending a university. It might be a good move to raise the age to 25 years.

Section 35 is one which is capable of misinterpretation. It concerns the estate of a veteran. If it were not for the broadminded interpretation which the commission has placed on this section many widows would be in difficulties. I think this section too would bear scrutiny.

• (7:10 p.m.)

Then there is the section which precludes a pension to a widow or mother on account of personal employment. As the minister probably knows, we have had a case where a widow applied for a pension, but because she was earning a certain amount of money she was ruled ineligible. She promptly quit her job, reapplied for the pension, got it, and went back to work afterwards. While we are certainly in sympathy with the widows of veterans we also have to consider the taxpayers and it might be well that this section be reviewed.

Section 70 is one which is most controversial. Possibly when the report of the committee which is studying the Pension Commission comes out, something will be done in that respect.

Finally, with respect to section 71, I think it is rather unjust for municipalities and provincial governments, when a veteran sometimes finds himself in the unfortunate position of having to receive relief, to try to retrieve the relief payments out of his pension. That is a little ridiculous in this day and age.

I just mention these matters briefly to give the minister an idea of some of the changes we would like to see in the Pension Act. We shall have a chance to examine it in the

standing committee, and we shall await with anticipation to see what the minister is going to bring forth.

Mr. Herridge: Mr. Chairman, I intend to speak briefly because we want to get the new estimates before the house and referred to the Standing Committee on Veterans Affairs. These are important estimates. Expenditures under them affect some four million Canadians composed of veterans, their dependents and relatives.

First I want to thank the minister for his courtesy and the consideration he gave to problems which I brought to his attention. As a Minister of Veterans Affairs we have got a real veteran. I also want to pay a tribute to the officials. In Ottawa, Vancouver, and in my district I have always found them willing to do what they can to assist veterans and their dependents, and advise them wherever possible. Our officials in this department have established a model which a good many welfare organizations would be wise to follow.

I want to make a special appeal to the director of the Veterans Land Act administration. I think I see him somewhere in the distance. I appeal to him to do all he can to protect the rights of veterans who are going to be flooded out owing to the dams being built as a result of the Columbia treaty. I also ask his assistance for veterans not directly his responsibility but who are willing to accept the advice of his officials.

I know of one case where the officials were very effective in assisting a veteran living at Renata. His property was not purchased under the V.L.A. but I got in touch with the minister's officials and they went out and advised this man. The B.C. Hydro Power Authority, which I always term the Hydra-headed monster of B.C., offered this man $14,000 for his property; but after V.L.A. officials visited him B.C. Hydro increased its offer by $4,500. This shows something can be done by advising veterans and discussing matters with other officials concerned.

I know the committee which is surveying the organization and work of the Canadian Pension Commission has not reported yet. I hope to be able to attend one of the committee meetings and make a few observations on the matters it is considering.

We have got the report of the Hong Kong veterans, and I know the government is considering it at present. We have also had the representations from the Royal Canadian Legion and other veterans organizations, representations which were submitted to the cabinet. I know the government is giving consideration to certain amendments to veterans legislation and I do not intend to say more at this time because we are anxious to pass these estimates so that the new ones can come before us and be referred to the standing committee. I hope that standing committee will get to work as soon as possible to hear representations from the veterans organizations, question the officials of the various branches of the department, and make recommendations to the government. I can say on the basis of my 20 years experience on that committee that it has always conducted its affairs in a strictly non-partisan manner.

Mr. Johnston: I wish to urge the minister to consider the whole matter of pensions carefully because we know that pensions awarded after both world war I and world war II are totally inadequate for today's standards. It is essential that some adjustment be made to all pensions. The report on the Hong Kong veterans has amply justified the claims repeatedly made by hon. members in this chamber that these people were worthy of special consideration because of the special nature of their wartime experiences.

Lastly, I would like to say something about those people who have been awarded what used to be called the "burnt out" pension. I realize the department has a euphemistic term for this subsistence pension. It has invariably been small. As these people grow older there builds up in their minds a feeling that once they reach the age of 70, or 69 as it now is, and begin to draw the old age pension, things will be a little easier for them.

It may be wishful thinking on their part but they feel one pension will augment the other. However, when they begin to draw the old age pension, the other pension which they have been receiving is regarded as overly generous and is removed, or reduced, and they find themselves no better off than they have been for many years.

We all realize the old age security pension is grossly inadequate for these people who, by the time they reach 69, are usually in extremely poor health, having existed for many years on the lowest of low incomes. Surely the amounts would not be that large that the two pensions could not be decked, at least until the time the government chooses

to raise the old age security pension to the point where it would be more adequate than it is at present. When these veterans hear all the talk about decking other pensions it must be frustrating to them that theirs are not considered in that way. I urge the minister to give this matter serious consideration.

• (7:20 p.m.)

Mr. Rapp: Mr. Chairman, I wish to raise a grievance on behalf of one of my constituents, Jack D. Fraser. He was an air force man who was shot down over Germany, was taken prisoner in 1943 and remained so until 1945. After he returned to Canada there were some awards given for maltreatment of prisoners of war. However, he was one of the unfortunate ones and was out of the country at that time. When he returned he was informed that the time had expired in which application could be made. Therefore he did not receive this award. However, he applied to the Royal Canadian Legion and this is what they had to say:

> It is entirely possible that if you had applied to the War Claims Commission when the legislation was still active and the commission still in existence, that you might have had a valid claim to be considered for a prisoner of war compensation,—

I feel it is very unfortunate, as does Mr. Fraser, that circumstances at that time were such that he could not be here. However, not long ago the case of the war prisoners of Hong Kong was reviewed and they received additional benefits. This person was a prisoner of war who had been maltreated in Germany and who was one of the 400 on a forced march, about half of whom were shot down by our own air force.

I find it very difficult to understand why this case could not be reviewed and the circumstances under which he was refused adjusted so that he also would receive these awards which other prisoners of war have received.

Mr. Langlois (Mégantic): Mr. Chairman, I have just a few observations I would like to make following the comments of the hon. member for Okanagan-Revelstoke concerning pensions of veterans. We have had different discussions on this matter, we have made requests of the government at different times, and have heard the government talk about raising the old age pension and so on. One of the arguments which has always been brought forward is that it would be pretty expensive, that the government does not have the money to pay $100, and so on, in the form of an old age pension to everyone in this country. I would like the Minister of Veterans Affairs to pay particular attention to the remarks of the hon. member for Okanagan-Revelstoke. I would like to add that today we have veterans who have served in the last two world wars, and I think if anybody needs consideration and special attention, they are the ones who need it at the moment.

I know that those who have pensions possibly have pensions which do not permit them to have an easy existence or at least they find themselves in the position where they have difficulty living with the pensions which they do obtain. But whether or not they have pensions, these people have served the country. Some of them were overseas for four or five years; they were the ones at that time who actually went over there and risked their skins for us. At that time we called them heroes and today we have a tendency to forget this. While they were overseas working for $1.40 or $2.00 a day, at that time we were here and perhaps had the privilege of taking the best war positions available at that time which paid very good salaries and had the opportunity to establish a future for ourselves—those who were here at that time.

While some of our colleagues, or brothers, and even sisters—but I am speaking particularly about the men—were out at the front, they were there defending their country. I think they have given us the service we had asked of them. We appreciated it at that time. It would be a mark of recognition if we return that service. I believe that one way of doing this would be what I would suggest to the minister today, and that is that, whether or not these people have a pension, they be eligible to obtain the old age pension at age 60 without a means test.

If they lost five years or so from their lives risking their own skins to defend our nation, I think we should do this for them; they are not a majority in the country. I think this would be well regarded by all citizens and that the nation might accept the idea of giving these people at least the benefit of the five years which they gave their country, in the best years of their lives. I would like the minister to take this suggestion under consideration.

I will not speak any longer on this subject during these estimates, but will wait for the new estimates. However, I would certainly appreciate it if the minister would give serious consideration to the suggestion that the government should not invoke the argument

that we do not have the means to give everybody $100, and so on. Let us start at the moment by giving all the veterans who have reached age 60 their old age pension without a means test. You might say this is an exception to the rule. Yes, but they were the exception when they had to go over there in 1914-18 and 1939-45 to defend their country. They have done their share and it is up to us to defend them when they need it so much.

Mr. Alkenbrack: Mr. Chairman, I will be brief. I brought up this matter last year in the estimates of the Department of Veterans Affairs and I rise again to remind the minister and the government regarding the same problem. This is on behalf of the widows of veterans who were less than 50 per cent disabled. Such a widow and her family, upon the death of that veteran husband and father, are immediately cut-off after his death. At the same time widows of veterans drawing more than a 50 per cent disability pension continue to draw this pension after the death of their husbands. Now, there is nothing fair about this. This has been going on too long here in Canada under all governments both Liberal and Conservative.

There is no reason that the widow of a veteran drawing less than 50 per cent disability pension should not continue to draw that small pension—and it is small, Mr. Chairman; I have known some to be as low as $20, $25 or $40 a month. It would be a great thing for those widows to continue to draw the pension, that small stipend, after the death of their husbands.

With the present day high cost of living and the rapid escalation of costs at this time there is a very heavy burden and financial handicap on these mothers and their families. The present policy of the immediate cessation of these veterans pensions upon their death is nothing less than an insult to these deceased men who so nobly served Canada. On behalf of these people I ask the minister of this department to please give early consideration to action in this matter so that the widows and families of men in this category can at least receive this small benefit which they deserve.

Item agreed to.

• (7:30 p.m.)

15. Other benefits including treatment and related allowances, burials and memorials, the training of certain pensioners under regulations approved by the Governor in Council and repayments under subsection (3) of section 12 of the Veterans' Rehabilitation Act in such amounts as the Minister of Veterans Affairs determines, not exceeding the whole of amounts equivalent to the compensating adjustments or payments made under that act, where the persons who made the compensating adjustments or payments received no benefits under the Veterans' Land Act, or where, having had financial assistance under the Veterans' Land Act, are deemed by the minister on termination of their Veterans' Land Act contracts or agreements to have derived thereunder either no benefits or benefits that are less than the amounts of the compensating adjustments or payments, $5,678,000.

Mr. MacLean (Queens): Mr. Chairman, I just want to say a word or two about this item in the way of a suggestion to the minister. In my experience I have found there are many veterans of world war II who enlisted in the service at about age 18 and served four or five years overseas, or practically the whole period of the war. Many of them were discharged as being fit at age 25 or 26. As a result of there being no medical disability recorded in their documents they are not eligible for pension or war veterans allowances.

In many cases these men are not and have not been able to cope with civilian life in that they are not properly trained to obtain jobs which would allow them to provide themselves and their families with a reasonable living. Much of this difficulty stems from the stress and strain they experienced during their service and, of course, from the fact that they were trained from a young age as soldiers and are not now properly trained to fit into the economy and re-establish themselves in our civilian way of life. I do not refer to people who have been assisted under the Veterans Land Act or who benefited from special considerations which allowed them to attend university or vocational schools. I refer to the group that did not benefit from any of these excellent schemes who now have difficulty obtaining suitable employment.

I suggest that some assistance should be given to this type of individual in the way of job procurement and guidance in obtaining suitable jobs. I do not suggest that they be given special financial assistance, but that they be helped in obtaining suitable employment through the Department of Veterans Affairs, as such, or in co-ordination with the efforts of the National Employment Service. While it is true that veterans have a preference in civil service competitions, many of these veterans do not wish to become civil servants or perhaps cannot qualify for the positions. They are anxious to obtain assistance in gaining employment in areas in which they live, and I think an effort along

these lines would represent time and money well spent by the welfare branch of the Department of Veterans Affairs.

Some of these individuals who are unable to cope with the economic problems of civilian life have applied for pensions and have been turned down. They have applied for war veterans allowances and have been turned down. This whole thing involves a long and slow process of appeal and re-appeal and these people become more and more frustrated. I suggest if they had been guided in obtaining suitable employment at an earlier stage, or trained or counselled for suitable employment, this problem might have been solved before it became a major problem from the point of view of these veterans.

The Deputy Chairman: Shall the item carry?

Some hon. Members: Agreed.

Item agreed to.

30. Operation and maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for hospital, prosthetic and related services, $47,228,000.

Mr. Lambert: Mr. Chairman, will the minister indicate when he expects the new hospital in Edmonton for chronically disabled patients, who are presently being taken care of at Government House, to be completed?

Mr. Teillet: Mr. Chairman, the most recent information I have in that regard is that it should be ready some time this fall. That seems to be a little early to me but the minister from Alberta indicates that this is quite possible.

Item agreed to.

The Deputy Chairman: That concludes our consideration of the estimates of the Department of Veterans Affairs.

Mr. Teillet: Mr. Chairman, I should like to express my appreciation to this committee, and particularly to those members who congratulated the staff of the Department of Veterans Affairs. I assure them that I will convey those well deserved remarks to my staff. Thank you.

DEPARTMENT OF FORESTRY

1. Departmental administration, $1,027,500.

Mr. Flemming: Mr. Chairman, I wonder whether the minister intends to make a short statement in connection with this department before we consider his estimates. If he does intend to do that I will be glad to give way to him.

[Mr. MacLean (Queens).]

Mr. Sauvé: That was not my intention, Mr. Chairman.

Mr. Flemming: In that event, Mr. Chairman, I should like to make a few brief remarks in connection with the estimates of this department. I am fully conscious of the fact that before too long we will have an opportunity to consider the estimates for the 1966-67 fiscal year. I am sure we will also have the opportunity of considering some items of legislation in connection with the ARDA program, during which time we will be allowed to express our opinions.

Let me emphasize the fact that this whole field of forestry receives a limited amount of attention in connection with the affairs of this country, considering its importance to our general economy. At the time of the formation of this department I am sure recognition was given to the fact that much of the activity of the department would be devoted to research and practical needs. I am sure that the federal authorities considered that much of the work of this department would be carried out in conjunction with efforts of the provincial governments, inasmuch as the provinces have control over much of the timberlands, by virtue of provincial control of natural resources. I am sure that the provincial governments have a great deal of indirect influence also, in respect of privately owned timberlands situated in the provinces. It was with that sort of conception that the department came into being, and with the additional knowledge that forestry land contributes raw material to a very large industry in this country, which in turn contributes to a very important extent to the general revenue of the nation.

• (7:40 p.m.)

I have always been amazed by the fact that the export of newsprint in dollars and cents represents one of our greatest single exports. So from the standpoint of preservation and conservation the federal government has naturally a very great interest in forestry. In consequence, Mr. Chairman, I believe the minister deserves and should receive a great deal of co-operation in connection with his most important duties. So far as I am concerned, to the extent of my capability I shall be glad to give him that co-operation at all times.

The ARDA program is also under the minister's control, as is forestry. There is a similarity perhaps in these two programs because in many instances the development

of a good deal of the land in Canada is achieved by a crop of trees. Speaking generally about the forestry industry from one end of the country to the other, from the Atlantic to the Pacific, it makes a great contribution to direct employment, indirect employment and helping to solve our balance of payments problem by reason of the fact that we to a great extent export the products of the forest. All in all, Mr. Chairman, I believe these factors make this a most important department. For this reason I believe the minister is entitled to receive from everyone the greatest possible co-operation and assistance.

Looking at the items included in these estimates I find there is the question of forest research and forest products research. It is not my intention to try to elaborate on those subjects; I believe they are understood. I do wish to say, however—and I speak with a great deal of knowledge of this particular point—that I consider the officials of the forestry department at the federal level to be second to none. They are capable and dedicated and I found it a very pleasant duty to work with them. I know the minister is conscious of this fact but I should like to say that I have a great deal of respect for the deputy minister and all the officials of the forestry department.

I might mention at this time, Mr. Chairman, in a general way the programs which the federal government shares with the provinces. I believe they come under about five different headings. One of these programs is that concerned with securing and maintaining a forest inventory. I am quite sure all hon. members will agree with the proposition that to know what we have by way of acreage in forest lands is a very important thing, but I am sure we also need to know what is growing in these areas. In conjunction with the provinces the federal government is concerned with securing inventories and in this way the Department of Forestry is able to maintain up to date figures.

Another matter of concern to this department is that of reforestation, which is perhaps not so important in the province from which I come. It does not seem that reforestation there is necessary because natural reforestation will take care of the situation very well. I should like to bring to the attention of the minister the question of forest fire protection because I believe we should protect to the greatest extent possible this most important asset which is essential to our economy. We must protect our forests from fires and, of course, from pests. The more effective control of pests is achieved through research. With regard to forest fire protection, we find that each year we make progress in this direction. We become more efficient in fighting and combatting forest fires for the simple reason that I believe people are becoming more and more conscious of the value of our forests.

The products of our forests are not only valuable to the lumberman but to people interested in wildlife, fishing and recreation. I cannot speak with stronger feelings about the need to preserve this great natural asset which is now under the control of the minister.

Another point I should like to bring to his attention concerns the question of access roads construction in the provinces. This program is carried on by the federal government in conjunction with the provincial governments. It is my opinion that greater publicity should be given to the access roads program and the fact that it is contributed to by the federal government. The purpose of this program is to make hitherto inaccessible areas accessible. When access roads are constructed it is possible to bring timber out to the pulp or lumber mills. However, Mr. Chairman, I believe that in a good many instances in a good many provinces it is not known to the industry in general that this program for the construction of access roads is available.

I would suggest to the minister that at the appropriate season of the year he urge the provincial governments to publicize to the industry in general the fact that a program of this nature is available, and people concerned in the forest industry should be asked to submit applications pointing out where roads might be constructed in order that timber might be made more accessible than heretofore. There are areas in which it is not economical to harvest the timber but if an access road were built, to which the federal government contributes 50 per cent of the cost, the operation might become economically feasible. I suggest that the minister consider this point.

Next I should like to deal briefly with the question of stand improvement. I believe stand improvement is most important because in so many instances—and I know something about this matter from personal knowledge—we need to weed out trees in much the same way as we need to weed out carrots in the garden in order to grow a large, full crop. This has to be done in connection with stand

improvement and trees, just as it must be done in the garden but on a different scale. In my opinion programs of this type in regard to an industry which contributes and will continue to contribute to the economic life of this country are acknowledged by all of us to be very important.

As I said at the outset of these remarks, Mr. Chairman, it is not my intention to speak at length at this time. When the minister's estimates for the next fiscal year come before us I shall then have the privilege of making some suggestions to him, which I hope he will consider.

So far as I am concerned, the minister has always been extremely kind, courteous and anxious to help. I appreciate the co-operation I have received from him. The minister has always been anxious to make a definite contribution in his official capacity and in his personal capacity. I believe other hon. members will deal with the ARDA program in a little more detail. I would point out to the minister that I have not dealt with the ARDA program at length not because I do not think it is important but simply because the question of ARDA will be brought to the minister's attention very forcibly by other hon. members before the evening is over. For this reason I decided to confine my remarks largely to the question of forestry.

• (7:50 p.m.)

[*Translation*]

Mr. Gauthier: Mr. Chairman, I take this opportunity to answer the speech delivered on February 2 by the minister, when he replied to the one I had delivered the day before.

I always found it regrettable that the minister chose to speak during the last hour of the day, during the last part of the sitting, because I did not have the opportunity to answer immediately.

Since the hon. member who spoke before me referred to forestry, I shall deal with ARDA. I am sure that all those concerned consider that, ARDA although it is said to be a very small thing, should be a great project for the province of Quebec, a project which is considered by us as the department of eastern agriculture. That is what ARDA means to us, in Quebec. And that is the reason why we want to fight for this legislation introduced by the Conservative party and which we do not want defiled by the the Liberal party.

Mr. Chairman, on February 2, the minister proved that he had not understood my speech one bit. Of course, I have neither the sources of information nor the staff that are available to him to scrutinize speeches, nor the newspapers that have sold themselves to his party, nor television commentators to criticize. Therefore, I only want to take a few moments to tell the minister how sorry I am he has failed to understand me.

I merely want to draw the attention of the minister on a group of "provincialists" using ARDA for cheap politics. The Liberal party is allegedly promoting patronage, but it is a kind of shameless patronage the likes of which has never been seen in the province of Quebec. That is why I did not beat around the bush in my speech. I finally wanted the minister to see through that group which is trying to pull the wool over his eyes about what is going on in the province of Quebec. Unfortunately, the minister did not see my point. He accused me of being unfair to him, but I was not attacking him personally, I only wanted to protect him.

As he stated, the ARDA program comes in the first place under the provincial authorities. That I can understand, and I would not hold the minister responsible for this "provincialist" group. That is what I want to prevent.

I wish to tell him also that he did not disprove my statements. I do not know whether it is all by himself or with his whole group that he plays around to such an extent with the words and figures in my speech in order to criticize it. I accuse him of having made an unfair criticism of my speech. If it had been my first speech on ARDA, it would not be so bad, but I have made more than five, six, seven speeches on the subject, as he said himself.

I have always said, in my riding, that ARDA was first the responsibility of the provincial government. The federal legislation only gives a statutory grant as its contribution to the ARDA program.

As the Minister himself said in his speech, this is the first time I interfere, and my reason is that I did not want ARDA to take on just any project, but to begin with the first work to be done, that of draining and developing the land.

I have always felt that ARDA had been created to develop the farmlands. Is this true or not? Land is developed in order to improve farmlands, not Crown lands. For 40 years money has been spent on Crown lands while farmlands have been neglected. The

grants are meant for farmlands. However, the farmers leave their land because the grants meant for them are used elsewhere.

I have been sincere, I have spoken frankly. I have not done any juggling. I simply wanted to draw the situation to the minister's attention. For instance, when I said to him that a sum of $50,000 had been voted, the minister accused me of exploiting the economic and social survey. What I said is this economic and social survey was exploited for political purposes. Yes, Mr. Chairman, that is what I said and I add that the minister and his group have not disproved anything contained in my speech. This $50,000 was given to the "C.E.R." I did not say that it was in my region, that it was his men or himself. I used the words: $50,000 was spent.

Under ARDA, political committees were formed such as that of the Mistassini valley, in which a sum of $50,000 was sunk—

Consequently, this $50,000 was not spent in Mistassini, but it was given to the "C.E.R." This $50,000 was used, as I say, for politicking. I am right once again and, in addition to being right, I have the proof here. This $50,000 is used for politicking purposes. I do not blame the minister for this but, once again, I want to make him aware of what is happening in the province of Quebec.

• (8:00 p.m.)

The "C.E.R." includes the four counties in our area. Back home, we paid—not that I am against it, mind you, Mr. Minister—$15 per day per person to make the survey. But let that be known. The investigators went from house to house saying: "I am doing this free of charge."

But I am going to prove to you there were quarrels, that some people were fired because of those investigations, because they made the investigations 10, 12 and 15 days before election day. That is the danger. And more than that, Mr. Minister, I am going to tell you that the one who was in charge of the survey was my political opponent. Did you know that?

He was my political opponent. I spoke about that with the secretaries and the presidents, especially with the secretary to the "C.E.R." Petitions were addressed twice to my opponent in order to get him to resign from the "C.E.R." because I did not want petty politics to be mingled with the "C.E.R." In fact, it is a too well organized board to be used against progress. I do not want any petty politics in the "C.E.R." Petitions were addressed to my Liberal political opponent in order to make him leave the "C.E.R.", to have him resign as director of the "C.E.R." and that was done as soon as he entered politics. That was normal, absolutely normal. As for me, when I entered the political field, I was asked to resign as chairman of the school board. I resigned willingly, as I did not want any conflict between the two.

He was asked to but did not resign. I knew he would never agree to resign, because I know him; he likes playing politics too much to get out of there.

Two petitions for his resignation failed to get him out of the "C.E.R.". The whole network of investigators was set up by him and it is nothing but a political outfit. And I can prove it. I went to my office to pick up letters. I will bring them to you if you wish; they contain bitter complaints about you. I told them the minister was not responsible for that; cheap and dirty local politicians were behind this.

This is what I wanted to bring to the minister's attention. Unfortunatley, you did not understand what I meant.

Then, after I referred to this door to door canvassing—as you know, they did not forget to canvass from door to door—you said I had mentioned 1,000 workers. They were political workers highly paid out of Liberal election funds. You are playing upon figures when you suggest that a thousand men could not be paid $15 per day with $50,000. There may be an omission in the reporting. Besides, I found two or three mistakes in that official report. To be tactful, I did not dare ask in the house to have a correction made. Anyway, the thousand workers were paid from Liberal party election funds. And you know that they do have an election fund. And do you know where it comes from? I hardly need to say more. The thousand people were paid after that survey. That is why I said it was simply unfair. The fact is that it is unfair and dishonest to proceed in this fashion whatever party is involved. That is why I say putting to such use a sum of $50,000 intended for a worthy purpose was a misuse of money.

So it is also in the blueberry fields. When I speak of the blueberry fields, do you think I am against them? However, I am against political patronage in the blueberry field business. They are all liberal contractors.

If you do not have "the grit label" you do not get in. This is what I am against. And the proof is that there is no more money to be

made. Look at Mr. Belzile, he is no longer there, he is gone. All the others will go too. I shall give the names of all those "patronage boys"; I have them all.

That is why I tell you that the blueberry patches are doomed as long as they remain mixed up with politicking. That is all. This situation should be blown open. The farmers should be consulted. Do you think that this is how a blueberry patch is run, with so-called farmers? Ten farmers and 110 city folks are taken from a community and that is supposed to be a blueberry union. Those are blueberry growers' syndicates. Look at the lists. You have to pay $5, so that all the boys from the cities are in those syndicates. When there are ten Liberals in a parish, they take all ten of them and have them join the blueberry growers' syndicate.

I want to be frank. If you are honest, have an inquiry made into those famous blueberry bogs.

I wanted you to pay attention, because you seemed to be asleep. I made a seventh speech since, but no action was taken. You should have seen the crop last year: there were no blueberries last year. In addition to that, the "patronage boys", as we call them back home, were there, in the camps, waiting to see if there would be any customers so that they could ask 50c per basket from them. It was absolutely scandalous. We must put an end to that. ARDA has programs which would enable the farmers to raise their standard of living. But no, everything is taken away from them, they are poorer than ever. In fact, they are being deprived of their livelihood. City dwellers are moving in in droves. Imagine: doctors, notaries, at the head of blueberry pickers unions. Well, that is what we have back home. Come and see. And then people say: "Here now are the farmers". I say they are "would-be farmers".

Mr. Grégoire: It is the rural upheaval.

Mr. Gauthier: The rural upheaval. I wanted to call the minister's attention to the matter of the $50,000 and the 1,000 political workers.

Then, further on, you say in a somewhat angry tone that the hon. member for Roberval does not seem to know his own riding.

If there is anyone who knows something about the land, about farming, blueberries and our land resources it is your humble servant, as I have been head of an experimental farm for nine years. When you visit my riding, do not go and see the notaries or the doctors, but come and see me. I shall take you to see farm lots and farm lands. You shall see them; you shall see some. I will help you to work for the farmer, not petty politicians.

You make a mistake when you say that the member for Roberval does not know his own riding. You were not being very nice to me. I received several letters from people in my riding. They wanted me to give them to you but I threw them in the waste basket. You must not tell the people in my riding that I do not know my riding. You make a mistake when talking about blueberry farms you say:

> The crown land used for blueberry farms are, in most cases, low yield forests which offer very little farming possibilities. Let us take for instance the blueberry farm at St. Augustin in the riding of Roberval."

Well, Mr. Minister, I am sorry but St. Augustin is not in the riding of Roberval. That blueberry farm is not in the riding of Roberval. When I give figures, when I mention localities, they are in the riding of Roberval, because I know them. Now, when your so-called experts tell you:

"Those tracts of land have little value," you say here about them:

> A yield of only $8 to $10 per acre may be expected from those forests in their present condition, whereas turned into blueberry bogs, they could yield about $130 an acre.

You have certainly been misled because I visited those lots and some farmers there were aghast. They wondered how the government could allow such a waste of land.

When they talk about the yield per acre, they are laying waste forests 15, 16, 18 years old and in a forest of that age, cordwood of good quality can still be found. Up to 22 cords per acre have been obtained. And they are said to be lands worth $8 and $10 an acre. But now their value will come down to $8 an acre. As it is they will produce nothing; indeed, nothing will ever grow there, and you can be sure of that.

I just wanted to say this: when you talk to them, to those city people as they are called, you will simply tell them that the sort of fires which they have set in the woods make it impossible for blueberries to grow. Blueberries grow in the woods, there must be woods if there are to be blueberries, there must be trees if there are to be insects.

Further, there is a three-mile desert. The trees are burnt; nothing will grow there anymore. Not a single fly will be there and it is especially the fly, the insect, which helps to

pollinate the blueberry flower. Not a single fly will be able to survive.

There will be blueberries for another two or three years, because things grow right after a fire. But come and see me in four or five years; there will be no blueberries at all then.

I was raised there and I know under which conditions blueberries will grow.

An hon. Member: Are they good blueberries?

Mr. Gauthier: Yes, they are, and if you want some you will have some, but you have to know how to make them grow.

Now, I shall not take up any more of your time. I have other things to say, but I shall wait until the next estimates. I merely wish to say I regret that you interpreted my remarks that way. I hope you will not bear me any grudge. As for me, I am not the grudge-bearing type at all. I think we shall get along fine together on this and continue to work for the future of our province.

• (8:10 p.m.)

[*English*]

Mr. MacDonald (Prince): Mr. Chairman, I almost did not remain long enough to speak, because I got hungry for a good dish of blueberries. However, there is one matter that I feel I should raise at this time when these estimates are called, and that is the matter of ARDA.

ARDA is getting to be such a frequently used term, or word, that it is almost dangerous to bring it up, for fear that people will start yawning in your face. If there ever was a program that in the last few years has been oversold it is the ARDA program, not in the area so much of land reclamation or alternate land use but in an area that has received a great deal of publicity, and one that is extremely important in Canada today, that of community development.

I think for any members in the house who represent ridings that can be described as encompassing areas of rural poverty, ARDA must hold some singular and important hope because embodied in the ARDA concept, at least as it was originally envisaged by the Conservative government, is the belief that there are things that can be done of a constructive and progressive nature in rural areas to revive people in these depressed rural areas so that they may have reasonable hope.

I live in a constituency which, very soon after the introduction of ARDA, became concerned with this problem. As far back as two years ago, Prince county was declared a designated area for rural development. I think the minister knows this county. We have felt, particularly since that time, that we have good reason to hope that in the program of community development certain important things would happen.

I think, to be very honest, one of the things that has made it difficult for constructive things to happen in this area has been the great deal of fuzziness in negotiations between the federal and provincial governments; sometimes there has been some downright "buck passing." However, what concerns me most of all is twofold: First of all, I think we have waited far too long to define a clearcut policy of how community development is actually going to proceed at the very local level, with the people themselves. It seems that the whole concept of community development will never achieve very much unless communities that began to participate in this program have some idea of what kind of policy is in fact laid down by the federal authority.

Second, and equally important, and possibly even more unclear, is the problem of training competent people to carry out leadership in local areas. For quite a while now there has been talk about people designated as community development officers. It was only when we began to look around for people suitable for this job, that it was found they were an extremely rare animal. There are not many people in Canada today whom one could designate as being community development officers. In fact, I do not think that there are people being trained who would be suitable for that position.

In Prince Edward Island we have been very fortunate to have a man who could be called a pioneer, in the person of Mr. Rudy Dallenbach. He has had considerable experience, and I am happy to call him a personal friend. He has in his own very practical way begun to instil among the people of Prince Edward Island a certain confidence. That is the important thing, and the basic concept of community development. He had not any government policy to bring about this desired result.

One of the things that I feel is exceedingly dangerous, and which is increasing in the whole ARDA program, is that we are talking about bigger and bigger amounts of money. Almost one year ago now a new fund was envisaged euphemistically entitled FRED.

I hold no quarrel with $50 million, and certainly not when it is related to a province annually looking to the federal government for assistance. What I really mean to lead up to is this that we could so emphasize this large amount of money, and others like it, that we do not take the time and trouble to think seriously about how we are going to get the tens and hundreds of people in the field who will be community development officers.

We must assume that we have no institution in Canada at the moment that can reliably prepare anyone to be a Community Development officer. In all likelihood I do not think that there is a suitable institution in North America that can provide us with this kind of trained person. Therefore I think it is necessary at the earliest possible date that the Department of Forestry and the new department of forestry and rural development envision a program for the training of community development officers. Very little will happen in Prince Edward Island or anywhere across the country unless we are going to put trained and competent people in this field.

Mr. Hamilton: Mr. Chairman, my remarks to the minister will be focused on two major points. The first one is to deal with this question of rejection of projects. The minister has declared in the house on several occasions that all projects under ARDA have to be submitted by the provinces.

The inference is, of course, that the federal authorities have no initiative to make suggestions or to propose projects in any province. I believe that the minister has done this from a previous commitment to himself that he is a provincial righter. In fact, from the way the operations are going on today, unwittingly, the minister has made himself into, one of the most effective anti-provincial righters that we have seen. I put this criticism to him in a particularly constructive fashion, because I am sure that he would not willingly try to destroy the initiative of a province.

Yet what actually happens? When the provinces submit proposals to the minister at Ottawa they are then met with the suggestion that the federal government officials will examine the project under consideration to see if it fits into their criteria of what the federal government has already done, and how things should be done.

You have the situation where the government of one province, under its philosophy, comes in and is ready to do things. I do not want to talk about socialistic philosophy because that is the province's privilege if it wishes to do it that way.

• (8:20 p.m.)

Another province believes in doing things by enlisting the tremendous enterprise of the private individual, either in reform of an individual farmer or that of a businessman or groups of businessmen. The particular cases in point to which I refer are the provinces of Quebec and Manitoba. The province of Quebec at the present time, although this is a generalization and not true in all cases, tends to look on the government as the source of inspiration. That is their right. I would support the minister and defend his right to say that the province of Quebec should carry out these projects in the way it thinks best. Yet in Manitoba which is in a similar position to Quebec as far as wealth is concerned—slightly below the national average—when we try to express a philosophy in the interests of the business world as well as of the farmers on the basis of plans put forward by competent and aggressive civil servants, we find our proposals clamped into procedures established by officials here.

This criticism is not aimed just at this minister or this government. It has been applicable to all governments for many years. Over the years, as this country has grown and as government at both provincial and federal levels have moved increasingly into the affairs of the community, the federal government still acts as though all things had to be settled by officials here as if all wisdom was centred here in Ottawa. This attitude extends right from Treasury Board to the officials responsible for the ARDA program who are stultifying and limiting the rights of individual provinces to produce projects which will accomplish redevelopment in their own way.

By his continual statements that all projects must be proposed by the provinces the minister has unwittingly allowed a system to develop where all these proposals are put into a stereotyped form and under which the provinces are given no real freedom.

Let me go back to the original thinking which was demonstrated when I introduced the ARDA legislation. I emphasized on three occasions that the provinces were to be considered as the main proposers of projects, but that the federal government must always reserve its right to initiate projects. The reasoning is simple. We have a number of

provinces which as far as I can see will not be generating many proposals of their own. The reason is twofold. First there is the lack of finance and, second, it is the custom of their civil services to wait until someone else has come along with proposals. For these reasons I believe that when it sees an opportunity to improve certain of these areas the federal government would be well within its rights to propose projects to this end as part of the federal-provincial co-operation which is envisaged.

I would ask the minister to think this matter over. If he is trying to strengthen the provinces, as I wish to do, he should allow them the privilege of putting their proposals forward and carrying them out in their own way. The limit of the federal government's control over the provinces should be on the financial side, which is set up according to a formula. The only other question is whether or not a project comes under the broad umbrella of ARDA development or rehabilitation in any sense. I think we can trust the provinces to act within such a framework. If they do not act within this framework then it could be said by the federal government at the end of the year: You have infringed the understanding you gave. Then the chalk should be put to any future developments of that kind.

We must seek to develop real provincial autonomy. Inadvertently, I think, this has been hindered by the insistence that the schemes should come from the provinces and then meet criteria set up by officials here. In cases where provinces are strong and aggressive they can fight back. But even when they are strong and aggressive, as Manitoba and Quebec are, the criterion should be whether their projects, however they may differ in direction, are designed to result in the development of their areas.

The second matter on which I intend to speak involves the question of funds. The minister announced about a year ago that he had available $100 million, I think it was, which was to be distributed in accordance with a certain formula and that he had $50 million in respect of which no formula would be applied. I would like to urge again that as far as this $50 million is concerned the federal government take the initiative and say to some of our provinces—I am thinking now of the four Atlantic provinces: In your case we are willing to pay 75 per cent, 80 per cent or even 90 per cent of the cost of projects of this type in your area. I am sure the provinces which are reasonably near the national level of prosperity, or above it—British Columbia, Saskatchewan, Alberta, Ontario, for instance—would understand if the minister were to say to them: I should like to give to these other areas a disproportionate share of this money because they are the areas most in need of help from the ARDA program. I am bearing in mind that even though Quebec and Manitoba are below the national average as far as wealth is concerned they have aggressive governments and aggressive civil servants who are fighting on behalf of their people.

This type of approach would, I believe, be in the spirit of ARDA and would greatly help in developing programs in the areas to which I have referred. I say this to the four Atlantic provinces with respect. But I believe the federal initiative should be used there more widely than in any other region.

Mr. Loney: Unlike my colleague from Prince who spoke of larger and larger amounts expended in connection with the ARDA program I wish to speak briefly about what in my area appear to be smaller and smaller expenditures.

I do have a few words of appreciation to express to the minister on behalf of my constituency. I refer specifically to the ARDA program now being developed in Johnson's Harbour in St. Edmunds township. This envelops an area of approximately 13,000 acres and involves an expenditure of some $130,000. I must be somewhat cautious in my words of appreciation. I would draw the minister's attention to the fact that this development is in an area where the previous administration had planned to establish a national park involving an expenditure of approximately $5 million.

On behalf of the people living in the immediate area of St. Edmunds township there are one or two points I wish to draw to the attention of the minister. Where there are pockets of arable land which could be component parts of a viable unit I would urge that people now residing on these parcels of land be given every opportunity to remain. If they decide in the course of several years to remove themselves from the property and yield it to the program, the necessary arrangements should be phased over a period of years.

In the announcement from Ottawa concerning this project it was mentioned that some five area development officers would be employed. I would point out that there are

people living in this immediate area who are very familiar with the geography and the physical components of the township and I would ask the minister to give every consideration to the employment of these people. I would also ask that where there are existing facilities and public transport these should be maintained over as long a period as possible and that some kind of reimbursement be given to the municipality in lieu of assessment.

• (8:30 p.m.)

We are well aware of the fact that over a period of years, as this program expands and the economy of the immediate area improves, this could be phased out, and I think the provincial authorities should take this under consideration.

Also when dealing with ARDA, on behalf of the ARDA group within the county, I would like to present the minister with these two petitions which I will read. The first states:

Since the development of water reservoirs through valley conservation authorities require 25 per cent of the funds to come from the municipalities where the reservoirs are located, the ratepayers in most cases do not have this extra money and the return in this investment is too far distant in the future to expect the ratepayers to make the initial investment. Therefore we, the ARDA Committee of Bruce County, request that funds be made available through ARDA to bear the cost of establishing water reservoirs in municipalities for recreation, conservation, ground water level improvement and general rural improvement.

This petition has been signed on behalf of the committee by John Black, Chairman, and G. R. Gear, Secretary.

The second petition is brief and I would also like to put it on the record. It reads:

We, the ARDA committee of Bruce County, request that some clearance be made re: designated area in Bruce County "tax concession to industry located within the area" and that it include all of Bruce County instead of just a portion.

That concludes my brief remarks, Mr. Chairman.

Mr. Peters: Mr. Chairman, it is interesting to hear remarks being made about agriculture on the estimates of the Department of Forestry. The changes which have taken place in the responsibilities of this department indicate the lack of need for the development of the department in the first place. It has a number of buildings and has hired quite a large staff, but we hear very little from the forest industry about the federal department. That is probably only to be expected.

In my opinion ARDA should be returned to the Department of Agriculture. Its very name, Agricultural Rehabilitation and Development, gives an indication of its purpose. If it were forestry rehabilitation and development it might well come under the forestry department, but it is not.

I agree with the hon. member for Qu'Appelle in his assessment of the scope and role of ARDA. Though expenditure under the program jumps from $12 million to $16 this year, I believe the program really has not started yet, and under no circumstances has it really been made a national program. The hon. member for Qu'Appelle had something to do with the vision of ARDA, and many people believed it would be a long-range program that would solve some of the problems of rural development.

Many people believed that a survey would be made of agricultural lands across the nation, that a survey would indicate the type of land that should be reforested, the type that should be added to agricultural areas, and the type that should be put into other uses. The provinces are using ARDA for the development of parks, reclaiming marshland and improving marginal land, but no real national survey has been made.

The minister and his predecessor have considered ARDA as a give-away program, for providing money for the provinces, instead of a program for agriculture, for the proper use of agricultural land, and for the rural use of land. If the minister does not believe this, then he should return to the idea of a survey, cataloguing the land in various areas, and making suggestions to the provinces for its use. It is not good enough to say, "We will approve this project in Ontario, that one in Quebec, and another one in B.C." It is of vital importance to the agricultural industry that proper use be made of all agricultural land.

The federal department has a staff capable of assessing the potentialities of various areas and deciding on programs for their development. Far-ranging progress could be made that way, instead of through municipalities and small groups of people forwarding projects for approval by the department.

When the minister of the day was first outlining ARDA he said there were many areas near Ottawa where submarginal land could be catalogued and returned to forest

production. He said this should be done on a large scale, that there would be mass displacement of people, that one man could look after several thousand acres of reforestation, that it would be a long-term project, and the outlay would be considerable. This was accepted as a good idea by the majority of people across Canada.

It was suggested that in other parts of Canada marginal land could be turned into wildlife parks. In western Canada large areas were to be amalgamated in blocks of land to provide grazing for cattle.

What happened to this project? I think the minister can be given a great deal of credit for the operations of his department, that they have stayed parochial and provincial, but even at that level it is difficult to find leaders for ARDA in rural areas, to find out the best use of a particular piece of land that is not producing suitable income for the families living on it, and how to return lands to production.

• (8:40 p.m.)

Mr. Chairman, if this is not the proposition, if ARDA really is not the long range solution for agriculture, then let us all sit down and design a new program that will provide the solution. I believe in the idea of ARDA; I believe in the concept that originated it, but I have heard some pretty crack-pot ideas come from some of the provinces. Once a project is approved in the province, automatically it is approved by Ottawa because Ottawa has no standard to put against it; either they agree with it or not, because Ottawa has not developed any projects of its own. They have depended on the provinces and even on the municipalities to do the deciding.

Agriculture, as we were told the other day by the Canadian Federation of Agriculture, is in a time of crisis. I think this is true. I am not going to point out how many of the farmers are getting less than substandard wages. I think earlier the question was asked by the Minister of Finance whether he intended to go into the problem of the deficit income tax proposals. I do not know whether or not he thought about it, but certainly the Minister of Forestry, if he is going to administer ARDA, is going to have to think about it, because we have to do something for the farmers who are not able to move off the farm.

The average farmer in Canada is over 50 years of age and is not capable of being retrained, despite the fact that he violently opposes being retrained or moved out of his environment. For this reason, if the ARDA program is to be successful, it will have to provide a blueprint or a long range program which will give hope for the future of the agricultural industry and make possible the development of economic units in the agricultural areas so that it can re-use or redevelop all lands that are not capable of producing enough revenue to keep the farmer on the land. These lands will have to be handled in another way.

I do not know what the minister has in mind about this program; I do not know whether or not he has been interested in it. I hear that the minister is very progressive, but I have yet to see this. This is certainly the best field in which he could show that he is progressive, because I believe this is a field where there should be some development to help solve much of the problem we have in rural Canada. I think the machinery is here. There is no limit to the amount of money which can be paid under this type of scheme. I believe if the minister really looks at the number of farmers he has helped by the rehabilitation program we already have undertaken, he will see that the price is exceptionally high for the amount of rehabilitation he has been able to provide.

I think the minister also will see that we have been able to accomplish very little in terms of redevelopment of agricultural land by use of the projects which have been paid for under ARDA to date. If the minister wishes to be progressive, if he wants to show that he is one of those three leaders from the province of Quebec who wanted to join the N.D.P. because they did not think that party could be elected and therefore joined the Liberal party instead, if he wants to get into this class, then I would like to see him start showing it. I think this is an excellent place to do it and I say this sincerely. If he really believes agriculture can be helped, that agriculture can be changed, that the redevellopment of marginal farms can be accomplished without major dispersement of the agricultural communities, and if he wishes to find a way to help the farmer, I think he will have to think about what a farmer is, what the family farm is, and what the relationship is between those people who live in a rural and urban economy. He will have to understand why those who are in the rural area choose that environment.

Let us not kid ourselves. Many of us choose a rural environment although we are not

farming. Most of the developments in the suburban areas are in areas which were rural a few years ago. The fact is that people moved into the suburbs because of a desire to be in that environment and the desire not to live in somebody's backyard; but it is not the desire to live like a farmer who gets up at six o'clock in the morning, milks the cows, cleans out the henhouse, gathers the eggs, and does the other menial tasks, and then finds he has not enough money to buy the kids' shoes. It is not the lack of income which the farmer likes and it is not the work the farmer likes, but rather the environment; and in my opinion this environment will have to be improved to provide people in Canada with the choice to live in a rural environment with an opportunity to have a decent standard of living.

The minister might consider this proposition in ARDA, because we have an opportunity there where we could take some of the people in the sub-marginal areas and apply a standard of living of $3,000 net for the farmer. If he does not earn that amount, when he files his income tax we pay him; if he makes more than that, we collect from him.

This would be much better than putting the farmer off the farm. You are putting him off the farm now, not through ARDA but because of the agricultural policies of the government; and you are putting him in the city and providing him with welfare. Every person connected with municipal councils will know that in the major cities, in Ontario at least, people who are living in the city have their welfare expenses charged back to the community from where they came. The solution is not simple; it is very complicated, but I do think the federal Department of Forestry, if it wants to administer ARDA, is going to have to work nationally toward a way to deal with this problem.

We have, in agriculture, to resolve the problem of the rehabilitation and redevelopment of agricultural lands into economic units. There may be projects of the federal government of this nature which might indicate that some progress has been made to develop programs; but I have had discussions with officials under a previous minister and I am of the opinion that there was no federal plan at all in any way, shape or form, except these projects which are originated in the provinces, if they look like they are doing anything in the agricultural field or in the field of rural environment, because you certainly could not call a swamp an agricultural potential. ARDA will go in and make a wildlife park out of the proposition.

[Mr. Peters.]

• (8:50 p.m.)

It is difficult for me to relate these things. This did not seem to bother anybody administering ARDA. I have not really been aware of any national projects they have engaged in to even set a pattern of how it was going to work. I listened with a great deal of interest years ago to the minister of agriculture who introduced this particular act. I felt at that time that his ideas were visionary and that some consideration should be given to them. I am sure the present minister will reply to the many statements of criticism that have been made in respect of the application of ARDA either during this debate or at some other appropriate time. I hope he will give us the assurance that if ARDA is to be continued it will not consist of handouts to the provinces, with handouts by the provinces in turn to the municipalities. I hope the program will be designed to fit into the redevelopment of the agricultural industry across Canada and provide some assistance to and solution for the problems of those provinces that have not yet considered the ARDA program in all its ramifications.

It is my hope that the minister will provide great leadership in this program of great potential to the agricultural communities across Canada. Surely we are aware of the problem this industry faces relating to the lack of money and the inability to establish economic units in this nation. I am sure some hon. members will disagree with me in this regard, but it seems to me that the inability of this nation to provide subsidies to agricultural producers in this country has left the majority of this portion of our population in an unattractive economic position. Surely this country should be able to provide the farmers of the nation with a reasonable standard of living equal to that enjoyed by their brothers living in urban society. This has not as yet been accomplished and can only be accomplished by a federally developed agricultural program that will make it possible for farmers to receive the greatest return possible for their efforts.

Surely, Mr. Chairman, the agricultural field is one which requires economic planning. Reforestation must be taken into consideration in the over-all agricultural picture, because this really could make a difference to the farmers. They do not really care much whether they are milking cows or cutting Christmas trees, as long as they are making a decent living. I hope the minister has given this whole subject sufficient consideration and

will be able to come to the committee with plans for the future. Perhaps he will give us an added bonus by telling us whether he expects to remain with this Department of Forestry, or whether we should point our guns at another minister of another department who will in the end become responsible.

Mr. Webb: I wonder whether the hon. member who has just resumed his seat would permit a question?

The Deputy Chairman: Does the hon. member wish to rise on a point of order?

Mr. Webb: I should like to ask the hon. member who has just resumed his seat whether he would admit that the province of Saskatchewan, of which the leader of his party was premier for a number of years, is afflicted with the most serious agricultural problem existing in any province of Canada, and that the plight of the farmers there is worse than in any other province? Would the hon. member give us his reasons for this situation?

Mr. Peters: I appreciate the question and the preamble, Mr. Chairman, but I must disagree entirely with the conclusions drawn. I am sure the hon. member has many opportunities to speak with representatives from the province of Saskatchewan and should know that the agricultural commodity produced in Saskatchewan is not really related to the ARDA program. The product of Saskatchewan farms is largely related to grain and beef. I would suggest that the farmers of that province have benefited not only from farm assistance legislation introduced by the leader of my party when he was premier, but from favourable weather conditions in that province. However, if the farmers in Saskatchewan are in difficulties in respect of their beef and grain production the ARDA program is not in my opinion going to help.

In view of what the hon. member has suggested, I hope that he will carry on further discussions with some of the other members from his province in order to gain an appreciation of the large amount of revenue that has been received in that province from the agricultural field. I think he will agree then that we in the province of Ontario have a different problem from that mentioned by the hon. member. It was not my intention to present that problem to the Minister of Forestry.

The Deputy Chairman: Shall item 1 carry?

Mr. Webb: On a point of order, Mr. Chairman, I would like to ask the hon. member if he will answer my question.

The Deputy Chairman: I recognize the hon. member for Mégantic.

Mr. Peters: Yes, Mr. Chairman, I should like to answer the question by indicating that the province of Saskatchewan—

The Deputy Chairman: Order, please. I have recognized the hon. member for Mégantic.

[*Translation*]

Mr. Langlois (Mégantic): Mr. Chairman, after hearing all these questions and answers, I must say I feel this matter is almost as complicated as trying to find out who is in charge of the feed grain agency.

When you look into the matter, you almost have to look in a crystal ball in order to find out which department is responsible for it. I see here that it comes under the jurisdiction of the Department of Forestry, under Item No. 10.

So, it is quite puzzling. When you want to discuss the Canadian Wheat Board, you must refer to the Minister of Finance (Mr. Sharp). For the feed grain agency, one must speak to the Minister of Forestry (Mr. Sauvé), and when cultivation and agriculture are to be discussed, the Minister of Agriculture (Mr. Greene) is the one to be consulted; although the two other matters concern agriculture.

It is somewhat confusing, but I hope that there will be no drastic or sudden change in the future, so that we may get used to that procedure.

I would like to make a few representations and put some questions to the minister, especially since there is nothing new about the matter. I have spoken several times about it and I think that the minister himself had the opportunity to give some explanations and even make a few corrections in the house.

We had the opportunity this week to meet the delegates of the Canadian Federation of Agriculture. I asked them if they had heard about the feed grain board. They had not. When the hon. member for Compton-Frontenac (Mr. Latulippe) put a question to the minister, the Chair ruled it out of order, stating that it was an important but not very urgent matter.

I should like to take this opportunity to make a few remarks to the minister regarding the livestock feed agency.

I have already expressed my views with regard to this livestock feed agency as well as about the way it could be constituted to best serve the farmers of eastern Canada and those of British Columbia if the latter are included.

Mr. Chairman, I asked the representatives of the Canadian Federation of Agriculture, and I am also asking the hon. minister, if such a board or agency could secure feed directly from the Canadian Wheat Board or if it would have to go through the usual channels and buy them through wholesalers or brokers who belong to the grain exchange.

I do not see any use in creating such an agency to buy feed grain for the farmers, if it means going through the same channels that exist at the present time, and for the simple reason that it becomes an agency within an agency, which will solve nothing. Somebody else will reap the profits, but that is no solution.

It should be remembered that the Canadian Wheat Board was created in Western Canada, because of the corrupt practices of some brokers who made terrific profits, who wielded tremendous power, whether the crop was good or not. They had absolute control, wheat was bought at prices they indicated, until the farmers put such pressure on the government that it had to establish, in the general interest, the Canadian Wheat Board.

So those brokers were simply pushed back to the boundary or to the lakehead. On the other hand, the Board is now buying wheat from the farmers; its responsibility consists in finding outlets on the foreign market. One thing that intrigues me though is that the board does not resell directly on foreign markets.

I should like to say something about the feed grain agency. We may have to enact special legislation, enabling the agency to negotiate directly with the Canadian Wheat Board as regards direct purchasing, so as to prevent possible intermediates.

Mr. Chairman, at this stage, I am opening a parenthesis to say that we know how much western farmers received when they sold their wheat or when the board sold wheat to Russia, but we do not know how much the Russians paid for it per bushel, which is a different story. We know nothing about the price paid by Russia.

Why? Because brokers acted as go-betweens. As agents, it is necessarily their duty to negotiate those contracts on foreign markets and to look after the export of the grain.

In any event, we want the feed grain agency to negotiate directly with the Canadian Wheat Board so that the grain many be bought at the best possible price. Besides, the purpose of the Canadian Wheat Board is to see that western farmers do get a fair price for their grain.

However, it is also the responsibility of that agency to negotiate so that eastern farmers get full value in grain supplies and to see that they do not pay exorbitant prices, in brief that the transaction does not result in some speculation between western producers and eastern buyers.

I am therefore asking the minister what will be the exact duties and powers of this feed grain agency or board.

I see an amount of $19.5 million under item 10, so something must have been done in that connection; $705,000 have been paid out in salaries, so someone must have been paid. There has also been publicity; $66,000 were paid out for professional and special services, so something must have been done there too.

I would like more details from the minister before going on to another vote, before going any further. As a matter of fact, I wonder if he could not inform us of his views on grain storage in eastern Canada, for instance, in Halifax or Quebec city, where Americans now have reserved space for their domestic and foreign markets, due to the St. Lawrence seaway.

And in these warehouses, they have space reserved in advance. It is sometimes embarrassing for Canadians who do not have enough space and who are limited to a certain area, due to that situation.

All I can do in that connection is to remember what I heard in the committee on agriculture, when the Canadian wheat board representatives came to Ottawa quite some time ago. I should like the minister to give us some explanations in this regard, and if I am wrong I apologize. I think that he is more familiar than I am with this situation. Anyhow, I should like to know whether the United States still has reserved space in warehouses in Quebec or Halifax, for example. If I am right, they had almost 60 per cent of the space reserved for them, which caused difficulties in eastern Canada as regards storage facilities for eastern Canada grain requirements.

Those are about all the representations I had in mind and the questions I wanted to put to the Minister. In fact, I would like to know where we are concerning the feed grain agency, what will be exactly its duties and how it will negotiate the purchase and the sale of feed grain. Will it be its function to buy and sell? Will it be able to negotiate directly with the Canadian Wheat Board and thus prevent all possible speculations between the two? Will this agency be under joint federal-provincial control? Will it be under federal jurisdiction only? In short, how will it be administered? Will it carry out its duties for the benefit and the common good of all?

I would like to have explanations concerning this agency. I would also like the minister to give us a few details on the space now allocated for feed grain in the warehouses of eastern Canada.

• (9:00 p.m.)

[*English*]

Some hon. Members: Carried.

Mr. Peters: No, Mr. Chairman. We have asked the minister to make a statement, and I presume that he will, because I and many members have not for some time had the opportunity of discussing the matter of ARDA. This is the first opportunity for the minister to give his impression of his department. I hope he avails himself of the opportunity before I feel compelled to make another 20-minute speech on the subject.

Mr. Nesbitt: That would be a calamity.

[*Translation*]

Mr. Sauvé: Mr. Chairman, I think we will have the opportunity, during consideration in committee of the 1966-67 estimates, to consider in detail every point raised tonight.

However, I should not want to miss this opportunity of making a few comments on the remarks of the hon. members.

I want first of all to thank them for their interest in the activities of the department, in ARDA and in feed grain, and to point out also that most of their remarks were relevant, in that they referred to ARDA or to the ARDA agreements according to how they stood before their renewal in March last.

I shall deal with this matter, but allow me first of all to say how much I appreciated the remarks of the hon. member for Victoria-Carleton (Mr. Flemming), who was the first incumbent of the Department of Forestry, which was set up by the previous administration. He left an excellent reputation within the department, he has also praised the deputy minister, Dr. Rousseau, and the departmental staff. I am in agreement with him. I think we have an unexcelled team of researchers and administrators.

The hon. member for Roberval (Mr. Gauthier) explained his speech of February 1, and I would be loath to come back to it. I think I can understand the meaning of his utterances. He has defined his thought and I will seek the information on the questions he raised tonight for it seems to me that attention should be paid to what he says, although, as he knows and stated himself tonight, the implementation of the ARDA projects are under sole provincial authority.

I would like to talk about the philosophy of ARDA and the way the department and I feel ARDA should be administered.

But before getting into this subject, allow me to say one thing about the remarks made by the hon. member for Mégantic (Mr. Langlois) concerning the livestock feed agency.

The Speech from the Throne mentioned that a bill would be introduced this session. Its drafting is almost completed and I hope to be able to put on the order paper, within a few weeks, the resolution that will allow the debate on that long-awaited bill.

I do not think that I can answer tonight the specific questions asked because it would be revealing the contents of the bill. I think that we will have to wait until we discuss it in committee section by section.

I can only say to the hon. member that he will be very happy with that bill.

With regard to the philosophy of ARDA, when that program was unanimously approved in this house in 1961, after the bill was introduced by the hon. member for Qu'Appelle (Mr. Hamilton), who was then minister of agriculture, it was thought that ARDA would have repercussions mostly on farming and a lot was made, with good reason, I think, of the extraordinary possibilities offered by this legislation to solve a great number of problems in rural communities, especially those of marginal farmers.

That act is probably the only one, or one of the few which, over these last few years, has been unanimously approved by the house. I think that when the Prime Minister

(Mr. Pearson) entrusted me with the administration of that legislation, and I must add in passing, that I cannot reassure the hon. member for Timiskaming (Mr. Peters) about what will happen to the administration of ARDA; he would like the administration of this act to be entrusted again to the Minister of Agriculture, but that does not come under my jurisdiction. As far as I am concerned, I am very happy to be responsible for the administration of that act, and I will explain for why later.

• (9:10 p.m.)

In any case, when the legislation was approved, it was meant to deal exclusively with farming matters. When the Prime Minister asked me to assume the responsibility of administering ARDA—it will be two years in a few days—I tried to understand the spirit which had moved the then minister of agriculture, the hon. member for Qu'Appelle, and I even discussed that act with him.

Then I took it upon myself to visit each of the provinces of Canada to meet the responsible ministers. Subsequently, at the federal level of ARDA, we made a complete review of the act, with a view to make it not only an act of farming character, but also an act which would cover all the problems of the rural population, to the extent that these problems come under federal jurisdiction.

Now, we have developed a new concept of ARDA, following the federal-provincial conference held in Montreal in 1964 and the signing of the new agreement on economic redevelopment of rural regions, which came into force on April 1, 1965, and will expire on March 31, 1970.

The spirit of this new agreement is in line, in general, with what was said by the hon. members tonight, that is, on the one hand we must consider the rural problems in general, human and physical resources in general, not only agriculture, but also fishing, forestry, tourist industry, mines and the small business. On the other hand, we must continue to respect the spirit of those agreements, that is, initiative must originate in the provinces, and this does not prevent federal authorities from taking initiatives too.

When we negotiated the renewal of this agreement with the provinces, we specifically suggested to them that there should be a change in the spirit of the original agreement which seemed to give the provinces exclusive responsibility for proposing projects or programs, and that this should now be a joint federal-provincial program, and that we also had responsibilities, not only for financing the projects, but for suggesting what we thought should be done in certain areas, in certain provinces. And this is so true that the provinces agreed with our suggestion for the setting up of a $50 million special economic development fund, the proposal for which is now placed on the order paper and in which federal initiative is recognized.

And I believe that the hon. members, in a few months, will see that we have taken just those initiatives they have suggested to us tonight, that is we met with the authorities of certain provinces of the country, and we indicated to them that there were general problems in certain areas to be settled, that there was a low-income families situation and that a special effort was needed to raise the standard of living of those families, in those areas.

And very soon, I hope I will be pleased to announce to this house the signing of special projects on behalf of some areas of this country, when the hon. members will see that we have actually met their wishes by initiating some steps which are, furthermore, in accord with the agreements concluded between the Federal government and the provinces early in 1965.

Therefore, we are pioneering and, on the Federal level, we held conferences, we held meetings since the federal-provincial conference, specialized meetings on the problem of farm consolidation, on the problem of organization, of regional development, on organization with a view to perfecting development techniques. The particular case raised by the hon. member for Bruce (Mr. Loney), is very important. There have been, subsequent meetings which have not always been made public. Our officials met with provincial authorities. We have changed the regional administration of ARDA in order to make available to the provinces, officials which could assist the provincial authorities to carry out better the ARDA program. I think that we are on the right track.

The hon. member for Qu'Appelle, this evening, believed that while respecting provincial initiative we would at the same time exercise too strict a control over the projects submitted to us. I do not know exactly to what projects he is referring, but section 5 of the new agreement provides, on the contrary—

[*English*]

Some hon. Members: Carried.

[*Translation*]

Mr. Sauvé: Then, Mr. Chairman, when we renewed the ARDA agreements, under section 5 we provided that at the beginning of each year, the provinces could agree with the federal government to propose for the whole year, an operation and activities program, without any need for the federal authority to control each and every one of those moves and projects.

I think that we are respecting both the spirit of the ARDA agreement, namely the responsibility of the provinces to propose projects and that spirit of initiative which is characteristic of the new concept of ARDA, at the federal level.

Mr. Grégoire: Mr. Chairman, I sincerely regret the lack of courtesy shown by the Conservatives over in that corner who did not miss any opportunity to talk about useless things for several days. I realize it must be infuriating, after being glaringly impolite while the Minister of Forestry was making such interesting comments, to be told right to one's face about this lack of courtesy. Even if I heard them talking about filibuster or things like that, since they themselves spent days discussing useless matters, I think they should look at themselves first.

Mr. Lambert: While you were absent.

Mr. Grégoire: I think I am here more often than the hon. member.

Mr. Chairman, I am quite willing to go back to item No. 1, but I should have liked the Minister of Forestry to deal with this item at greater length, for what he was saying was interesting. I am sorry he was unable to continue and I apologize for those members who were rude to him. Fortunately, they do not belong to our group and the minister knows very well to whom I refer.

I thought that the minister dealt rather quickly and superficially with the remarks made in this corner of the house about his Department. I think it would have been worthwhile to examine the remarks made by the hon. member for Roberval (Mr. Gauthier). He raised some important points.

There has been talk of patronage with regard to funds provided by the federal government. Even if the Minister himself, or the officials of his department were not directly involved, I feel that the Minister could have at least told the house that he would take steps to end this situation and see to it that this should not happen again. I think that the minister should reassure the house in that connection, because it should not be done at the farmers' expense.

• (9:20 p.m.)

The minister has pointed out quite often that his department did not necessarily initiate the plans, but left the task to the provincial governments and that the objective of the federal department was to pay half, or after having approved the projects pay 50 per cent of the cost. Then the Minister becomes more or less a rubber stamp, since all the work must be done by the provincial governments.

I am wondering if the minister is pleased to be in such a position.

Here is a minister full of imagination, resourcefulness and ambition who has original ideas, one must admit, and he would be delighted to have the opportunity to put such energy, ambition and imagination at the farmers' service. But his hands are tied. It is not up to him to express new ideas, to make the first move and to accomplish something in that field.

No. He has to sit at his desk and wait for the provinces to come along with projects. He then uses the rubber stamp, signs the cheques and that is the end of it. The Minister of Forestry said that French Canadians could take over important positions, but on the other hand those who already hold such positions are merely rubber stamp wielders. Indeed, that is the situation.

I wonder why. Are there two authorities in charge of ARDA? I should like the Minister of Forestry to tell us what he thinks about that. Does he not feel that when there are two authorities in a department such as that one, both are fettered, both have their hands tied? Neither can give ARDA the impetus they feel it should be given. The provincial government may set up programs, but it always needs the stamp of approval of the federal minister and it must get cheques for 50 per cent of the cost involved. The federal minister only has to wait. And so, the whole undertaking is at the mercy of two authorities, before the program can be implemented.

I would like the Minister to tell us what he thinks about that. Does this not slow down the work? Does it not allow the programs to be toned down in the process? Does it not reduce in some way the development that we would want for ARDA? Would it not be the cause of what seems to be the failure of ARDA, because if we are asked what it does, what it has done—at least in the province of Quebec—we do not know what to answer. Well, there have been studies made, boards of inquiry have been created and, as the hon. member for Roberval (Mr. Gauthier) said, there have been such appointments as notaries, and doctors in charge of the ARDA program. Some students in social sciences have gone to the Gaspe peninsula to make inquiries in the farming areas. It does not cost much. But what about real achievements? And would not all those difficulties stem from the fact that there are two authorities within ARDA and that, often, they are at cross-purpose?

Would it not be better to put the whole matter under a single authority? Would not decisions be arrived at more rapidly, if there was only one individual, either at the federal or provincial level, concerned with the matter and who could say: I am the one responsible for that. If things are not running smoothly, I will not blame the provincial government or the federal government, but if everything goes well, I will take the credit for it.

Which one of the two ministers could say that today?

The federal Minister is always telling us—and that is all he can say—that ARDA comes under the provincial jurisdiction. Could the Minister say anything else? If that is what is understood by federalism, it is a fetter that prevents both from making headway.

The Minister surely shows good will. I know he is a competent man and I know what he can do. But was he able to initiate such a plan? He has to wait for the advice of the provinces. So where goes his overflowing energy? He is waiting. It is a fact, the Minister cannot but agree with what I am now saying. The hon. member for St. Denis (Mr. Prud'homme) is advocating federalism. If that is what he understands, by federalism, then it is that which prevents government from resorting to action and which is keeping the farming in a state of stagnation.

[Mr. Grégoire.]

What accomplishments are there at present besides seminars? I believe that the minister should some day make a statement such as this: "This cannot go on; I administer, I approve, I control, but I cannot set something going." Then, it might be possible to induce the authorities to hand over the necessary funds to the provincial governments.

Today, as one considers supplies, it is easy to determine which grants go to the provinces. Before implementing their plans, the provinces have to submit them to Ottawa, but since changes are often made afterwards, the provinces are hampered and delayed in the implementation of the projects they want to get going.

Were it not for this procedural duplication, things would be done differently.

I think it would help ARDA and the farmers if all the members of the house were shown the situation in which the minister is. The minister cannot take any action, he can only wait; I feel sorry for him. I see him laughing. I am sorry for the new Minister of Forestry because he is young, full of energy and ambition. It is most unfortunate to see a man like him remain inactive for years because of the situation he is put into. How can he ever become a real man of action, if he does not acquire any experience at all?

I hope that the other ministers will see to it, at the next cabinet meeting, that responsibilities are entrusted to this minister. I can assure his colleagues that he will be able to assume the responsibilities entrusted to him. He has been asking for further duties for a long time and I think he is worthy of them.

Mr. Chairman, those were the few remarks I wanted to make. I know they were perhaps made in a humorous vein. The ministers and hon. members realize that my statements are actually accurate, at least as far as the present implementation of ARDA is concerned, in view of this dual authority which hampers the progress and the success of ARDA.

• (9:30 p.m.)

[*English*]

Mr. Peters: Mr. Chairman, in listening to the laudatory remarks made by the hon. member for Lapointe I was wondering if he was taking a short cut to an appointment in

the other place. However, he kept flitting back and forth, so that it is debatable. It may not work a second time.

I was unhappy, Mr. Chairman, that the minister did not have an opportunity to outline his proposals in detail. I do appreciate the explanation that he has given, also his indication that he intends to maintain the responsibility for this particular aspect of agriculture in the forestry branch. The remarks that the minister made in my opinion indicate that he has not really considered—and that is the gist as I gather it of that particular representation—measures to provide for the types of problems that will be in the interests of rehabilitation of agricultural land on a national basis.

He has not indicated how he intends to negotiate with the provinces over various schemes that can be more in their interest than in the national interest. Unless my understanding is incorrect, it would seem that the amount of money being donated to the provinces, in relation to the amount of money being spent in other ways, has increased, but not to any degree that would indicate that the type of over-all project we are interested in is going to be developed.

I would not pursue this matter, except to say that if the federal government does not have the type of program we are discussing here, one in which it sincerely believes and is vitally interested in developing, then really there is no long range future for agricultural communities in many parts of Canada, no matter whether they are in the east, west, or in the central part of Canada.

If the government intends to pursue another program mentioned during the election, where it was intended to put the farmer off his farm, redevelop the farm and then return it to him, that I would suggest is the type of ARDA program that has to be carefully thought out because the treatment of the farmer would have to be envisaged on a generous scale.

I do not know at what point the minister is going to be able to bring the attention of the House of Commons to the over-all intention that the government now has with respect to ARDA. The house really has not had a review of ARDA since it was initially presented. As the minister stated at that time, it had the complete support of all members of parliament, for the simple reason that the program was visionary. Everyone realized that considerable problems had to be faced, that in the various aspects of the agricultural redevelopment program there would be something of benefit for each part of Canada, and that this would be a long-range program.

If what I have described is not the program that was envisioned, then I think we have to develop one that is. I think that there is an obligation on the part of the government to tell the country what it is doing.

As the hon. member for Lapointe mentioned, we are again faced with a situation where discussions are no longer conducted in parliament. Discussions take place in provincial and federal conferences where decisions are often made by officials of the provincial governments and then given to the federal officials as a ready-cut proposition to be either accepted or rejected. The hon. member for Lapointe indicated that all the minister did was to make out the cheques.

Irrespective of that, I think that provincial governments that have area development programs of their own, which are faced in different ways in different provinces, ought to refer them back to a central point. For instance, recently there has been talk of developing blueberry land. Everybody knows that blueberries can grow wild. They may appear in a field one year, be picked, but not appear the next year. In other words they are not farmed. Yet during the ARDA program there has been considerable development in this field in the maritimes, resulting in the production of a crop and resulting in a fairly substantial income per acre for the farmers in the growing communities. This type of industry which has obviously been newly developed could be related, by the national agency dealing with ARDA, to other parts of Canada which have similar growing potential as the area I referred to in the maritimes.

• (9:40 p.m.)

I do not intend to pursue this matter further. I know the committee is in a mood to get these estimates passed. Sometimes we are disgustingly fast in passing these things and at other times disgustingly slow. The public would agree that we were mostly disgusting at all times in our manner of handling them. If members do not believe that, they should read the newspapers. The newspapers agree that this is so.

An hon. Member: Sit down, then.

Mr. Peters: I had intended to sit down but a republican across the way said "Be reasonable and sit down". And I do not think that

would be reasonable. If this question is not one of those referred for further discussion in committee, then it seems to me the minister will not be getting the benefit of a discussion which I believe should take place in some depth on this subject. I sincerely believe that ARDA is the only hope for a long range solution of many of the problems of our marginal areas. This view is shared by many of the farm organizations across Canada. If the program is not working—and I suggest it is not working now, in the main—we must take steps to correct the situation.

So far, I submit, the program has not taken any appreciable number of people off the farms and redeveloped the land in such a way that those remaining are able to make a reasonable living. This is one of the matters which should be discussed by the committee, since it is at the heart of the department's work—though I must say when you have feed grain assistance thrown into the responsibilities of a Department of Forestry, that really is for the birds.

I am pleased that the minister should seem more interested in explaining this subject than the committee is in listening to him. This will not always be the case, I am sure. But should there be a choice between the subjects to be sent to the committee I trust this one will be considered seriously as the theme of one of the major discussions of the present session.

Mr. Webb: I should like to ask the minister how many applications for ARDA assistance have been approved, and I should like to get this information by provinces.

Mr. Sauvé: I cannot give the hon. member this information offhand but I will provide it for him.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I should like to put just one question to the minister. Can he tell us whether he would confirm that what delays ARDA, what really prevents ARDA development, is the dual authority, one provincial and the other federal?

Will the minister comment on this?

Mr. Sauvé: Mr. Chairman, I do not believe that dual jurisdiction is delaying the projects. This act has been voted by Parliament five years ago; the implementation was rather slow at first, because the federal and the provincial administrations had to familiarize themselves with an operating system. On the whole, I am satisfied with the implementation. Naturally, there is always room for improvement. We could talk at length on this point.

When the bill to amend the ARDA Act is presented to the house—it is already on the order paper—we will have the opportunity to discuss again the whole concept behind ARDA. We shall be able to make changes then.

Mr. Grégoire: I should also like to ask whether ARDA, being a joint program, the provincial government could withdraw from it claiming fiscal compensation, as may be done in the case of other joint programs?

Mr. Sauvé: No, this program is not included among those from which the provincial governments have indicated that they would like to withdraw in some way.

Mr. Grégoire: None of them?

Mr. Sauvé: None.

Mr. Latulippe: I want to ask the minister a question.

Could he tell us whether, with the cooperation of the provincial governments, he intends to undertake development projects in each county of the province of Quebec and of all the other provinces, so that all counties may benefit somewhat from ARDA?

The people I represent often ask me what ARDA does and what is ARDA. I answer them as best I can, but they feel that ARDA is not doing much in a riding such as mine where many of them are having a hard time and farmers are leaving their farms.

If ARDA were to come and help them or give them some information, I suppose they might be able to keep their farms. But they leave them because they feel it takes too long. They cannot afford to wait any longer. The present system has put them to deeply into debt. So, people can no longer wait. They leave their farms at an alarming rate in my constituency. I would go as far as to say that approximately 60% of the farms have been left over the last two years. In a single parish, within a week, 13 farmers left. ARDA has certainly not been beneficial yet in that corner of the land and we do not know when ARDA will come our way.

I wish the minister would give some reply to that question.

Mr. Sauvé: Yes, Mr. Chairman.

[*English*]

Item agreed to.

3. Construction of extension to research laboratory in Pointe Claire, Quebec, for use by the Pulp and Paper Research Institute of Canada, $1,700,000.

Mr. Barnett: There are some questions I should like to put to the minister. My colleague from Timiskaming suggested some time ago that the hon. gentleman was a progressive minister. I am not sure whether there was a certain question mark at the end of that remark or not.

This vote, as the committee will see, provides for the construction of an extension to a research laboratory in Pointe Claire for use by the Pulp and Paper Research Institute of Canada. We are referred to page 160 for the details. I find on looking at page 160 that the item referred to says: "Construction of extension to research laboratory in Pointe Claire, Quebec, for use by the Pulp and Paper Research Institute of Canada". The amount given is $1,700,000.

I am not blaming the minister for the fact that the details contain exactly the same words as the general item of the vote. I know this is the case with respect to a large number of the items before us. But I should like clarification on this point: Am I correct in my understanding that the Pulp and Paper Research Institute of Canada is a private organization established by the producing firms in this industry and that this is a capital grant to provide facilities to enable this body to carry on certain research work? I should like to know whether this is the case and whether the contribution by the federal government is limited to the provision of the plant.

• (9:50 p.m.)

Mr. Sauvé: In 1956 the federal government provided funds for the construction and equipment of a new laboratory at Pointe Claire, and the Pulp and Paper Institute pays for the research and personnel. We only provide the facilities, the buildings.

Mr. Barnett: Can the minister tell us something about the nature of the research program conducted in this institute?

Mr. Sauvé: The research is done by McGill University, in conjunction with the Canadian Pulp and Paper Association, for the development of the pulp and paper industry. It is related exclusively to pulp and paper, nothing else. It is a venture which we find very profitable because we in the department do not have the means to do that research. It is done by the institute in conjunction with McGill University. The research has been going on since 1926, and the federal government only intervened in 1956 by providing funds for building purposes.

Mr. Barnett: Then I take it the research is basically on techniques and methods for improving the production of pulp and paper products. I am glad the minister refreshed my mind with the fact that it was in 1956 parliament first voted money for this purpose. At that time I raised the question of research into pollution of water and air by the pulp and paper industry, and I take it from what the minister has said that this project does not cover that area of activity.

Not too long ago I asked the minister about the activity of his department in this field, relating my question to the holding of a forestry conference in Montebello. He told me the responsibility lay within the jurisdiction of another department. In passing, Mr. Chairman, I may say I had an opportunity to meet some of the delegates to the Montebello conference, who were on parliament hill this afternoon, in company with a minister who comes from B.C., and I gather their conference was a most interesting and successful one.

I feel it is proper to ask on this item whether any portion of the funds we are voting is being directed toward research into the control of pollution. Much of our economic prosperity will derive from the better utilization of our forest products, but this industry is one of the greatest creators of pollution of our waters and air.

I am aware of the conference that is being arranged this fall under the auspices of the Council of Resource Ministers, which we all hope will produce fruitful results, but if we are providing this assistance for research it justifies the minister's directing, urging or demanding that the industry devote more time, energy and interest to the field of research in the control of pollution.

I represent a constituency where there have been great developments in the pulp and paper industry, where small-scale plants have become increasingly larger and where the level of pollution, as the industry expanded, has changed so much in degree that it has become something different in kind.

In this connection, I am thinking of the community of Port Alice on the north end of Vancouver Island where one of the earliest pulp and paper plants in the province of B.C. was established, where at one time the little company town community had green grass, flowers and trees planted in the townsite, but where now the level of pollution has reached the point that the grass has turned white, flowers will no longer grow, and water in the inlet on which the plant is located has become so polluted that people can no longer catch fresh salmon in it.

In the area where I make my home, which has a population of 20,000 to 25,000, it is not untrue to say that at present the whole community is up in arms on this pollution question. Over 6,300 people have signed a petition which they have taken to the provincial government in Victoria, asking for some legislation. They have held parades in the modern tradition of silent vigils in front of the industry plant.

I have some pictures here which give an idea of the conditions in which people are being asked to live and work, pictures which show the occasional snowfall on Vancouver Island, with the snow on the ground turned black with fall-out from the plant, pictures showing motor cars covered white, as if by snow, but it is not snow, just salt cake. I would be quite happy to send these pictures across to the minister and let him have a look at them. I also have a picture of a parade which took place recently in Alberni Valley.

I am only sorry I cannot ask leave of the house to have them reproduced as an appendix to *Hansard* because I am afraid the facilities of the Queen's Printer would not do adequate justice to them. However, the minister can pass them around and let other interested members see them.

• (10:00 p.m.)

I realize this matter is a very complex one and that all the answers cannot be found overnight. However, I would suggest to the minister, particularly in view of this vote, that as Minister of Forestry he has an important role to play in focusing the attention of industry on this problem and in focusing the attention of the rest of the Government of Canada on this problem. It is not something he should leave entirely in the hands of the Minister of Mines and Technical Surveys. Because of the fact that this forestry industry is so important to the economy of Canada, we as the people's representatives should be demanding now, and the minister should be giving a lead in demanding, that this industry develop itself and conduct itself in such a way that it is not going to become a hazard to the life, welfare and health of the people of the country, not only those immediately concerned with the industry, but also many others in adjacent regions.

Mr. Chairman, I hope one of the things the minister will agree to look into is the extent to which the Pulp and Paper Institute, which is receiving in this vote a fairly generous sum from the tax revenues of Canada, should be willing to undertake a research program in their particular aspect of the whole field of pollution control.

Mr. Peters: Mr. Chairman, I would like to ask a short question. Is it possible to use the facilities of this research area to do research for the Department of Industry in the forest products field? I have in mind particularly the research that should be undertaken in the E. B. Eddy limits in the Elk Lake area in my riding where the Ontario government has given an ultimatum that a pulp and paper mill be constructed in the near future, or the limits will have to change hands. There is considerable research work which will have to be done before it is possible to tell what the size of the plant should be or whether there should be a kraft or sulphite plant in the area.

Mr. Sauvé: I shall find out.

Item agreed to.

5. Contributions to the provinces in the amounts and subject to the terms specified in the details of estimates, $7,910,000.

Mr. Peters: Mr. Chairman, I would like to ask the minister a parochial question. In northern Ontario where and on how many roads is this construction work to be done under this item of $8 million?

Mr. Sauvé: I could not tell you offhand, but I will provide the answer.

10. Freight assistance on western feed grains including assistance in respect of grain storage costs in accordance with terms and conditions prescribed by the Governor in Council, $19,500,000.

Mr. Peters: Mr. Chairman, the hon. member for Mégantic was quite insistent about this item. Did the minister suggest in his answer that this will also be referred to the committee when the feed grain legislation he spoke of is proposed? Will both of these be put together?

Mr. Sauvé: Mr. Chairman, I said that the bill would be introduced in the house at which time we will have an opportunity in committee to review this whole bill clause by clause.

Mr. Peters: The question I asked related to a discussion which took place in this committee during consideration of the matter of feed grain assistance under the control of a feed grain agency, if such an agency is established. Is that the intention of the government?

Item agreed to.

The Deputy Chairman: This concludes our consideration of the estimates of the Department of Forestry. Shall we now proceed to a consideration of the estimates of the Department of Public Works?

Mr. Grégoire: It is ten o'clock.

Mr. McIlraith: Mr. Chairman, am I correct in understanding that members of the N.D.P. wish to call it ten o'clock?

Mr. Knowles: Mr. Chairman, we had a certain understanding at six o'clock that we would try to get six departments through in four hours. We have done that. I think that is a good night's work.

Resolutions adopted in committee of supply this day reported and concurred in.

DRUGS

PERSONNEL OF SPECIAL COMMITTEE

Mr. Bernard Pilon (Chambly-Rouville): Mr. Speaker, I move:

That the special committee on drug costs and prices appointed February 15, 1966, be composed of Messrs. Brand, Chatterton, Côté (Dorchester), Enns, Hadaisz, Harley, Howe (Hamilton South), Howe (Wellington-Huron), Hymmen, Isabelle, Langlois (Chicoutimi), MacDonald (Prince), Mackasey, Macquarrie, Mitchell, O'Keefe, Orlikow, Pascoe, Patterson, Prud'homme, Roxburgh, Rynard, Tardif and Yanakis.

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

Motion agreed to.

• (10:10 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

[*Translation*]

FAMILY ALLOWANCES—POSSIBLE INCREASE

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, last Thursday, February 17, during the question period, I put the following question to the hon. Minister of Finance:

In view of the fact that no provision was made for this in the estimates, could the Minister tell the house whether he is considering the necessity of increasing family allowances, and will he inform us of his decision in his next budget?

Mr. Speaker, I would appreciate receiving tonight an answer from the Minister, after I have made the following comments for his information.

The estimates for the 1966-67 fiscal year were tabled recently by the Minister, and they do not indicate an early change in the family allowances pattern.

I understand that the minister has more than one string to his bow. He might very well, if he so decides with his other cabinet colleagues, take action in this field and reveal it to us in his forthcoming budget.

I hope this is one of the important and pleasant surprises he is keeping in store for all Canadians. I know that the minister practises the art of secrecy. But he could give us a ray of hope by recognizing the urgency of increasing family alowances.

Here is a social field that should be substantially reviewed. I do not intend to discuss tonight the question of which government has such a responsibility. I shall deal with this matter when the estimates of the Department of National Health and Welfare are considered.

I want briefly to demonstrate the necessity of an immediate increase in such allowances.

First, let us say that many provinces and citizens demand that allowances be geared to present needs. At the last meeting of Health and Welfare ministers in Ottawa, in January last, at least five provinces recognized that the family allowances program had to be changed. They are Ontario, Quebec, Manitoba, Nova Scotia and Newfoundland.

The representative of Quebec, at this conference Mr. René Levesque, went so far as to say that if Ottawa failed to act, in view of the urgency of the problem, Quebec would shortly proceed to correct the current inadequacy of the family allowances.

No grudge should be held against provinces that take initiatives because of the inertia and apathy of the federal government.

Several members in this house as well as other Canadians say that the central government should be strong and powerful. Let the central government wake up. Let it take

action. Otherwise dynamic provinces are justified in intervening and in going ahead with their projects.

Indeed, I doubt that the responsibility for family allowances constitutionally falls to Ottawa. The fact that Ottawa intervened in that field in 1944 does not mean that it had the right to do so. But let us set aside the legal aspect today. I shall return to it on another occasion.

I maintain that unless the government takes immediate action, unless it assumes all the responsibility and power which it claims, it will have to allow those provinces that wish to do so to deal with the urgent needs of Canadian families.

Within a few weeks, through his actions or inaction, the minister will be able to give a certain orientation to the improvement of family allowances.

I would surely like to have the minister's views on such a matter which has become urgent mainly because of increased family needs, the rise in the cost of living and the loss in value of our dollar since 1945.

In closing, I should like to remind the minister that between 1945 and 1965 the cost of living increased by 87.7 per cent, while family allowances have only been raised 9.4 per cent. Now is the time, more than ever, to fill the gap.

[*English*]

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, for 22 years now Canada has operated a family allowance program for mothers and for all children up to the age of 16, provided the children are attending school. More recently, a special youth allowance was introduced for school children aged 16 and 17. The rates are $6, $8 and $10 per month, according to the age of the children. This program has undergone only minor changes in its period of existence of 22 years.

At the last meeting of provincial ministers of welfare with myself in Ottawa, considerable attention was directed to this program of family allowances. It was suggested, especially by the minister from the province of Quebec, that there existed a need for a very careful consideration of the rates of allowance and the children to whom the allowance ought to be paid. In making that suggestion, the minister was re-echoing comments which emanated from other responsible persons, especially students who have written extensively on this particular subject.

I was able to tell the conference something which I repeated later in the house, namely that the Department of National Health and Welfare is giving very careful study to this question of family allowances. It is a major program affecting the pattern of income of many hundreds of thousands of families and affecting their family budget, as well as assisting millions of children in the country. Any changes ought to be taken only after very careful consideration. Perhaps it is a fact that the amounts paid to each child need revision; perhaps the weighting by age or number of children needs altering and needs up-dating.

It should be borne in mind that these questions, and the determination of any changes in the family allowance program, must be considered in relation to the total social and economic policies of the government, the requirements for assistance of other groups in the community, including the older people and including the requirements of education.

Mr. Knowles: And medicare.

Mr. MacEachen: And medicare. It will be in this context that this particular program will be considered and decisions reached.

Mr. Knowles: And nothing done.

Mr. MacEachen: That is a very depressing postscript.

NATIONAL CAPITAL COMMISSION—PUBLICITY PROMOTION IN CONNECTION WITH CENTENNIAL

• (10:20 p.m.)

Mr. Jim McNulty (Lincoln): Mr. Speaker, the reason I brought this particular question before the minister was the great interest shown in the publicity given a National Capital Commission representative when he was in our area as well as in other areas of southern Ontario. There was publicity over television, radio and in the newspaper columns. I have a clipping from the St. Catharines *Standard* for Friday, December 10, 1965. This article reports an interview with Mr. J. Maurice Landry, the information director of the National Capital Commission. It goes on to explain that the National Capital Commission is interested in promoting the capital of Canada across the nation as a symbol of unity and a source of national pride.

Since the first part of January we have heard very little about this promotion of the capital of Canada, and I have had letters from teachers in the area and young people asking whether there is going to be any promotion of the nation's capital, particularly with our centennial year approaching.

I believe it is a fact that Canadians from British Columbia to Newfoundland are becoming more and more aware of their identity and of the need to find in things Canadian the common interests which will ensure unity and survival. With the approach of the centenary of confederation of Canada all Canadians should engage in a little soul searching in order to find within themselves the reasons that they must retain their identity and at the same time generate enthusiasm in the things which make them different from other nations.

Our national capital is one of the many things in which Canadians have a joint ownership. It can be a beautiful city and will be, I believe, thanks in large part to the efforts of the federal government, which has spent more than $150 million since early 1900 in Ottawa and its immediate area. I was on a tour last year which was organized by the N.C.C. and I did have the opportunity to see for myself the developments carried out by the National Capital Commission and their expectations for the future. One realizes on such a tour just how attractive and worthy of Canada a capital can become.

It is unfortunate to note how little Canadians know about their capital city. To many of my constituents Ottawa, the national capital, is relatively unknown. On the other hand I find much interest among the people, once they are made aware of the symbolic importance of the national capital. I receive many, many letters, particularly from young people, eager to know more about their capital, the nerve centre of the Canadian confederation. They want to be proud of Ottawa and proud in the knowledge of her institutions.

I believe Canada is in a state of flux today. It seems to me that we have neglected an important unifying factor in Canada by ignoring the national capital as a catalyst capable of generating and fusing Canadianism and national pride. The Americans have capitalized on love of country and respect for the flag with considerable success. We Canadians could profit by their experience in this respect.

What does the government intend to do to develop a sense of pride in the national capital, and at the same time cash in on the millions of dollars expended to create a capital worthy of Canada? I am informed by the Ottawa Tourist and Convention Bureau that some 10 million visitors will come to Ottawa in 1967. Statistics show that 750,000 tourists visited the parliament buildings in 1965. What is being done to greet the thousands of Canadians who will visit their capital city in the expectation of learning more about their capital and their country? Every Canadian who comes to Ottawa should leave it a stauncher citizen of Canada.

I believe it is also of the utmost importance that the national capital be publicized from one end of Canada to the other. Special attention must be paid to our school population; Canada may well stand or fall on the degree of patriotism we instil in our young people today.

Ottawa will be the most important city in Canada in 1967 because it is the heart of our confederation. Granted that it will never be the largest or the wealthiest, but as the seat of the federal government of Canada it enjoys greater prestige than any other city. I would think, because of its intimate knowledge of the national capital region, the National Capital Commission would be eminently qualified to talk about the capital and tell its story to Canadians from coast to coast. I wonder if money is being made available for this purpose? Will Canadians in 1967 be made aware of their national capital?

There is this particularly germane passage in the Speech from the Throne which reflects my thoughts on this matter.

> The approach of the centennial of Confederation makes it of the utmost importance that Canadians in all parts of the country should look to Ottawa as its true capital where they can feel at home.

What a tremendous national awareness would be created if thousands of Canadians, as a centennial observance, were to come to Ottawa to strengthen their patriotism. What a great impact we could make on Canadians of every race and creed with a properly organized information campaign on the capital of Canada. There is much latent patriotism in our country. It is up to this parliament to awaken it so that it can become a major force in keeping this nation united.

Today, a few short months before our great national birthday party, Ottawa, the capital of Canada, takes on greater importance than ever. If we have any satisfaction in being

Canadians, then we must be proud of our national capital. We must publicize the visible signs of our nationhood.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I appreciate very much the speech of the hon. member for Lincoln. I think he is to be congratulated on it, and I believe I express the opinion of all hon. members when I say that.

Mr. Fulton: What about when he raises a grievance?

Mr. McIlraith: The question which he posed is somewhat more restricted than the content of his speech, with which I am in complete and total accord. The question yesterday was this: Will the minister inform the house whether the National Capital Commission intends to promote the capital across the nation? If so, how and how soon?

The National Capital Commission is an agency established to make plans and assist in the development of the national capital region to make it a suitable place as a capital. This is a continuing job which has been carried on for over 60 years by this commission and its predecessors, since about 1897. Improvement and development of the capital is its main purpose. It can do certain other things only incidental to this main purpose. One of these incidental activities is informing the people of Canada about what it is doing to improve the capital. I believe it is that type of information service which the hon. member spoke about in the early part of his remarks.

Mr. Bell (Carleton): Would it not have helped for the hon. gentleman to have agreed to the appointment of a special committee of parliament, as was suggested from this side of the house?

Mr. McIlraith: I am afraid not, it would have been premature at this time.

Mr. Fulton: After 97 years?

Mr. McIlraith: In any event, information kits and articles are set out to newspapers across the country, the information staff give illustrated talks in various cities, films are shown and pamphlets and film strips are sent to schools. Also the Rotary Clubs of Canada are assisted in showing the capital to a selected group of high school students from across the country in May of each year; bus tours are provided for members of parliament so they can have an opportunity to see what the commission is doing, and the establishment and staffing of an information centre in Ottawa where visitors may get information about the commission's work. I refer there to the new information centre. All these activities are designed to explain what the National Capital Commission is doing to improve the capital.

The Commission is not empowered, fortunately or unfortunately—and in this case I think unfortunately—nor is it equipped to inform the public of Canada about all the functions and programs of the government and the capital generally, nor is it equipped to inform the public about parliament, the work and administration of the various departments and agencies of government, international activities involving embassies, and things of that nature.

• (10:30 p.m.)

The National Capital Act does not provide the commission with the power to carry on these activities. For the centennial of 1967 parliament has established the national centennial administration under the National Centennial Act and the commission is working with the centennial commission which is doing the job of providing over-all information about the centenary of confederation and other national capital activities connected with it.

ATLANTIC DEVELOPMENT BOARD—INQUIRY AS TO ADDITIONAL ASSISTANCE TO MARITIMES

Mr. Thomas M. Bell (Saint John-Albert): On the only other occasion when I used this procedural device to bring a question before the house, fairly good results were obtained. Hon. members may recall that I referred to the closing of McAvity's industrial plant in Saint John, and it was possible to avert this move.

The question I raise tonight has in it some of the same elements—loss of industry, loss of employment and an uninterested provincial government. I see a smiling Minister of Transport (Mr. Pickersgill) in his place at this late hour. He is relaxed and confident, now that his own estimates have gone through and he has really nothing to worry about now for the balance of the session.

I hope the minister can help me this evening. This question concerns the exclusion of Saint John, Fredericton, Dartmouth and Halifax from the Area Development Incentives Act. It goes back to 1963 under the old act when certain cities in the maritimes were

excluded. Hope was held out that when the new act was introduced in 1965 the situation would be changed. But they were again excluded. My objection is that the mayors and others above been kept on a string; they have been hoodwinked into thinking there was some hope for them under the act. This is not the fault of the Minister of Transport. But it appears, now, that the answer will be a definite "no" and that there will not be an opportunity for the inclusion of the cities I have mentioned in the designated area plan.

We are now faced with the necessity of doing something for these cities in an equivalent way. Everyone knows that they are faced with unique problems in this regard. It appears that the Atlantic Development Board is being considered as one means of assisting them, but this has not been definitely stated. I think there is need for haste and that immediate efforts should be made to settle this problem.

Its effects have already been shown. Established industries in some of these cities are moving outside the perimeter of the excluded area. Saint John has already lost old established industries which have moved outside to nearby towns, in each case obtaining the grant which is available under the act. In the second place I understand, although I cannot prove this, that there are many industries which wanted to go to larger cities such as Halifax and Saint John—towns which have a labour surplus—but they have not even gone to the maritimes because those towns were not available to them under the terms of the act.

I suggest that the minister, as the minister responsible for the Atlantic Development Board, should direct the board to take this matter under advisement if it has not already done so. The board should be asked to look into it immediately, call for briefs if necessary from the cities and get right down to business. It is not the hon. gentleman's fault. The government could have avoided this situation by bringing these cities in earlier without any trouble. They have been playing around with the industrial future of these cities.

I think it is high time we had an answer to this question. If the minister wants an example of a method by which an equivalent amount could be given I suggest he take an amount of money and have it administered initially by the board. If necessary it could be channeled through the two agencies in New Brunswick and Nova Scotia, Industrial Estates in Nova Scotia and the Productivity Council in New Brunswick, and let them deal with this matter, or at least be a party to advising where assistance can be given. I hope the minister will not think that some of the other benefits, some very good benefits, that are given to these particular cities—wharves, roads, harbour bridges—are part of it. There must be a fully equivalent benefit to the cities that have been forgotten and stalled by this government.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, one gets compliments only by indirection from the opposition, but the hon. gentleman has complimented the government in two respects. He has suggested we have a very good program for area development, but it does not extend quite widely enough. We are very glad he approves of this program and wants it extended.

He has also said that I must not use as an excuse in reply all the other good things the Atlantic Development Board is doing for Halifax, Saint John and the rest of the Atlantic area. I do not intend to do that at all. I know the hon. gentleman is almost as pleased about the harbour bridge as I am. I am also sure the hon. member for Halifax (Mr. Forrestall) is almost as pleased as I am about the considerable extension going to be made to the elevator in Halifax.

Mr. Forrestall: Unemployment is still 10.5 per cent.

Mr. Pickersgill: It should, of course, be remembered that unemployment is one of the criteria for the area development agency, and the only reason Halifax, Saint John and Fredericton are excluded is that unemployment in those places is less than it is elsewhere in the Atlantic region.

Mr. Forrestall: The four cities are improving—

The Acting Speaker (Mr. Rinfret): Order. The Minister of Transport has the floor. He has only three minutes to reply and I think he should not be interrupted.

Mr. Pickersgill: Mr. Speaker, I have great difficulty in making myself heard in the house. The Atlantic Development Board, ever since the area development program was established, particularly since the new criteria were established in the summer of last year, has been very conscious of the kind of incidental effects which they might have in

the possible diversion of industrial prospects from Halifax or Saint John to other communities, something which I think is more likely than in the case of Fredericton, and is also conscious that their magnetic attraction might not be as great because of these incentives.

While it might be inconsistent to provide the same kind of incentives, if the government had intended to do that it should be done by the area development organization itself. The board is very much aware of the importance of not doing anything that is likely to be decisive in any specific case in order to make sure that an industry which may be wavering will in fact locate in these places.

I can assure the hon. gentleman, all other hon. members, and through the press everyone in Halifax, Saint John, Fredericton and the adjacent areas which are not covered by the area development incentive program that any concrete proposals for meeting any specific problem will certainly be welcomed indeed by the A.D.B. The general problem is under review at every meeting of the board, and constantly by the staff.

Motion agreed to and the house adjourned at 10.42 p.m.

[The following items were passed in committee of supply this day:]

DEPARTMENT OF NATIONAL REVENUE

Customs and excise—

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, $45,485,600.

Taxation—

5. General administration and district offices, $46,278,100.

Tax appeal board—

10. Administration expenses, $152,500.

PRIVY COUNCIL

1. Maintenance and operation of the Prime Minister's residence, $32,500.

Privy council office—

Ministers without portfolio—

5. Payment, notwithstanding anything in the Financial Administration Act or the Senate and House of Commons Act respecting the independence of Parliament to each member of the Queen's privy council for Canada who is a minister for whom no salary or allowance in addition to the allowances under section 33 and section 44 of the Senate and House of Commons Act is provided (the acceptance of which shall not render such member ineligible or disqualify him as a member of the House of Commons) of a salary of $7,500 per annum and *pro rata* for any period less than a year, $7,500.

10. General administration, $1,098,400.

10b. General administration, $257,000.

10d. General administration—to extend the purposes of privy council vote 10 of the main estimates for 1965-66 to include the expenses of a pilot program, undertaken by volunteers, to advance social and economic development in community affairs and to provide a further amount of, $88,000.

15. Expenses of the royal commissions listed in the details of the estimates and the expenses of the preparatory committee on collective bargaining in the public service, $3,104,300.

15b. Expenses of the royal commissions listed in the details of estimates, $233,900.

GOVERNOR GENERAL AND LIEUTENANT-GOVERNORS

1. Office of the secretary to the Governor General, $308,200.

5. To authorize reimbursement to the lieutenant-governors of the provinces of Canada of the costs of travelling and hospitality incurred in the exercise of their duties up to maximum per annum for each as detailed in the estimates, $142,500.

LEGISLATION

The Senate—

1. Allowance in lieu of residence to the Speaker of the Senate, $3,000.

5. General administration, $1,077,200.

House of Commons—

Members of the House of Commons—

10. Allowances in lieu of residence to the Speaker of the House of Commons, and in lieu of apartments to the Deputy Speaker of the House of Commons; allowance to the deputy chairman of committees, $6,500.

10b. Members of the House of Commons—allowances in lieu of residence to the Speaker of the House of Commons, and in lieu of apartments to the deputy Speaker of the House of Commons: allowance to the deputy chairman of committees, $2,000.

15. Expenses of the Canada-United States interparliamentary group, of delegates attending other inter-parliamentary conferences, expenses connected with visits of delegates from other legislatures, including the expenses of the inter-parliamentary conference to be held in Ottawa in 1965, Canada's fee for membership in the inter-parliamentary union, Canada's share of the expenses of the Commonwealth Parliamentary Association including subscriptions to publications of the association, and a grant of $22,000 to the Canadian North Atlantic Treaty Organization Parliamentary Association, $316,475.

15d. Expenses of the Canada-United States interparliamentary group, of delegates attending other inter-parliamentary conferences, and expenses connected with visits of delegates from other legislatures, including the expenses of the inter-parliamentary conference to be held in Ottawa in 1965, $55,000.

20. General administration, $5,035,500.

20b. General administration, $10,000.

Library of Parliament—

25. General administration, $482,900.

POST OFFICE DEPARTMENT

1. Postal services including Canada's share of the upkeep of the International Bureaux at Berne and Montevideo, $221,303,000.

DEPARTMENT OF VETERANS AFFAIRS

1. Departmental administration, $6,694,000.

Welfare services, allowances and other benefits—

5. Administration, including the expenses of the war veterans allowance board, and grants as detailed in the estimates, $4,187,700.

10. War veterans allowances, civilian war allowances and assistance in accordance with the provisions of the assistance fund (war veterans allowances) regulations, $106,127,000.

10d. War veterans allowances, civilian war allowances and assistance in accordance with the provisions of the assistance fund (war veterans allowances) regulations, $500,000.

15. Other benefits including treatment and related allowances, burials and memorials, the training of certain pensioners under regulations approved by the governor in council and repayments under subsection (3) of section 12 of the Veterans' Rehabilitation Act in such amounts as the minister of veterans affairs determines, not exceeding the whole of amounts equivalent to the compensating adjustments or payments made under that Act, where the persons who made the compensating adjustments or payments received no benefits under the Veterans' Land Act, or where, having had financial assistance under the Veterans' Land Act, are deemed by the minister on termination of their Veterans' Land Act contracts or agreements to have derived thereunder either no benefits or benefits that are less than the amounts of the compensating adjustments or payments, $5,678,000.

Pensions—

20. Administration, $2,798,200.

25. Pensions for disability and death, including pensions granted under the authority of the civilian government employees (war) compensation order, P.C. 45/8848 of November 22, 1944, which shall be subject to the pension Act; Newfoundland special awards, and gallantry awards (world war II and special force), $184,079,000.

25d. Pensions for disability and death, including pensions granted under the authority of the civilian government employees (war) compensation order, P.C. 45/8848 of November 22, 1944, which shall be subject to the Pension Act; Newfoundland special awards; and gallantry awards (world war II and special force), $1,700,000.

Treatment services—

30. Operation and maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for hospital, prosthetic and related services, $47,228,000.

35. Hospital construction, improvements, equipment and acquisition of land, $3,006,000.

Soldier Settlement and Veterans' Land Act—

40. Administration of Veterans' Land Act; soldier settlement and British family settlement; upkeep of property, Veterans' Land Act, including engineering and other investigational planning expenses that do not add tangible value to real property, taxes, insurance and maintenance of public utilities; and to authorize, subject to the approval of the governor in council, necessary remedial work on properties constructed under individual firm price contracts and sold under the Veterans' Land Act and to correct defects for which neither the veteran nor the contractor can be held financially responsible, and for such other work on other properties as may be required to protect the interest of the director therein, $4,322,400.

45. Grants to veterans settled on provincial lands in accordance with agreements with provincial governments under section 38 of the Veterans' Land Act, grants to veterans settled on dominion lands in accordance with an agreement with the minister of northern affairs and national resources under section 38 of the Veterans' Land Act and grants to Indian veterans settled on Indian reserve lands under section 39 of the Veterans' Land Act, $145,000.

Loans, investments and advances—

Soldier Settlement and Veterans' Land Act—

L95. Purchase of land and permanent improvements; cost of permanent improvements to be effected; removal of encumbrances; stock and equipment; and protection of security under the Soldiers Settlement Act and the Veterans' Land Act, $34,600,000.

DEPARTMENT OF FORESTRY

1. Departmental administration, $1,027,500.

3. Construction of extension to research laboratory in Pointe Claire, Quebec, for use by the Pulp and Paper research institute of Canada, $1,700,000.

5. Contributions to the provinces in the amounts and subject to the terms specified in the details of estimates, $7,910,000.

5b. Contributions to the provinces in the amounts and subject to the terms specified in the details of estimates, $675,000.

10. Freight assistance on western feed grains including assistance in respect of grain storage costs in accordance with terms and conditions prescribed by the governor in council, $19,500,000.

10d. Freight assistance on western feed grains including assistance in respect of grain storage costs in accordance with terms and conditions prescribed by the governor in council, $1,500,000.

General—

11b. Payment in respect of extra costs resulting from unloading the S.S. *Wheat King* at Quebec while en route to deliver grain at Halifax, $58,400.

Forestry—

15. Administration, operation and maintenance including grants as detailed in the estimates, $8,885,600.

20. Construction or acquisition of buildings, works, land and equipment, $1,772,000.

Supply—Items Passed

Rural development—

25. Agricultural Rehabilitation and Development Act program and Maritime Marshland Rehabilitation Act program—Administration, operation and maintenance, $798,500.

30. Agricultural Rehabilitation and Development Act program and Maritime Marshland Rehabilitation Act program—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 province of New Brunswick of the cost of the Petitcodiac river dam project, $848,900.

35. Payments in respect of projects and programs under the Agricultural Rehabilitation and Development Act, and payments to provinces pursuant to agreements entered into under that act, $16,880,000.

HOUSE OF COMMONS

Friday, February 25, 1966

The house met at 11 a.m.

NORTHERN AFFAIRS

INCREASED EXPORTS OF LEAD AND ZINC—STUDY OF SMELTER CONSTRUCTION

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I wish to announce that the government has approved the export from Pine Point in the Northwest Territories of additional quantities of high grade lead-zinc ore and zinc concentrates during the next two and three year periods. The application by Pine Point Mines Limited reflects a firm market position in these metals over this time period. We have approved the export of 90,000 tons per year of zinc metal contained in concentrates for a period of three years and 60,000 tons per year of high grade direct shipping ore.

These shipments will go to smelters in the United States. In addition, an earlier authority by which the government approved the export of 50,000 tons per year of elemental lead in concentrates to Japan for a period of ten years has been modified to allow the diversion of up to 15,000 tons of this amount to other markets during the next four years.

The result of these permits will be a very large increase in lead and zinc production in the immediate future. Not only will this produce very appreciable foreign exchange for Canada; it will also increase the volume of ore and concentrates moved by the Great Slave Lake Railway to more than double that anticipated before the mine went into production. It will be recalled that the government of Canada advanced the capital to build this railway. It is most encouraging to see this facility utilized to this extent.

When consideration was given to the applications for export, equal attention was given to the feasibility of increasing smelting facilities within Canada and particularly in the Northwest Territories. It is government policy to encourage processing of raw materials in Canada. On the basis of available information the case for establishing a smelter at Pine Point cannot be determined with certainty. There does seem to be a reasonable possibility that given adequate reserves and a continuation of present firm markets, such a project might be realistic. The government is therefore engaging experienced consultants to undertake studies to determine the feasibility of the immediate construction of a smelter at Pine Point.

I am pleased to report that the mining company, Pine Point Mines Limited, and its parent organization, Consolidated Mining and Smelting Company of Canada Limited, have given unqualified support to this approach and have agreed to co-operate by making available to the government's independent consultants, on a confidential basis, all information useful in such a study. Pyramid Mining Company Limited, which has recently announced development of lead-zinc ore reserves in the same region, and several other companies now exploring the area have also indicated their willingness to co-operate in the same way.

I shall not predict that a smelter can or will be built in the Pine Point area, but because of the tremendous significance such a development could have for the region, I wish to assure the house that the government intends to continue a very active role in this matter.

To carry out the study of the economic feasibility of a smelter at Pine Point, the government has decided to retain the internationally known firm of Canadian Bechtel Limited.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I want to say to the minister that I very much appreciate the fact that I was made aware in advance of the announcement to be made by him.

That is a course that should be followed by ministers and that lends itself to more complete and intelligent comment.

I could not be happier over what has taken place with respect to the Pine Point Railway. You will recall, sir, that when we brought about the building of this railway, the northern vision was ridiculed. Indeed, this railway was described in words to the effect that what could happen might well be that there would be a couple of streaks of rust leading into northern areas.

• (11:10 a.m.)

An hon. Member: The Minister of Transport.

Mr. Diefenbaker: I am not going to designate any of the hon. gentlemen opposite because I do not want them to blush. They are now doing that which we said should be done.

I am very pleased that our initiative received honourable mention from the minister when he said the government of Canada provided the available capital. There is just one omission in that statement; it was the government of Canada of another day. I also think the proposal that an investigation be made to determine whether a smelter should be built is a good step forward. I suggest to the minister that this company might also be authorized to look into the tremendous potentialities for further expansion, and that a smelter in the Yukon would be but another step along that course toward northern development to which we gave our hopes and expectations and also action when we were in office.

Mr. T. C. Douglas (Burnaby-Coquitlam): I am sure all hon. members will be pleased with the minister's announcement to the effect that there is to be a considerable increase in the export of ores and concentrates from Pine Point in the Northwest Territories.

This, as the minister has said, will help to increase Canada's foreign exchange and we shall benefit to some extent as a result. However, I think the minister recognizes—and I hope the government recognizes—that the exporting of raw material is not going to make this country rich in the long run. In the extraction industries the amount of employment per unit of invested capital is relatively low. No country ever became rich by exporting its natural resources in their raw state. Employment and wealth come in the long run from the secondary and tertiary stages of development and manufacture.

I am sure the minister is to be congratulated when he says the government is looking into the feasibility of a smelter at Pine Point. I am glad to know that studies are to be made to determine the economic feasibility of this project. However, I would urge that the government give some thought to who will direct and operate the smelter. It seems to me this is an excellent opportunity for the Canada Development Corporation to undertake this project or to undertake it in partnership with a company which has the technical know-how.

Here Canada has an excellent opportunity to develop resources which belong to the crown in such a way that the Canadian people will reap the benefit not only from extracting the raw materials but from processing them here in Canada. I think it would be a great pity if the entire process of extraction and processing were turned over to private companies, particularly if they were private companies located outside Canada. I hope the government will take advantage of this excellent opportunity to develop Canadian resources by Canadians for the benefit of Canadians.

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, we are indeed very pleased to see that a recently built railroad will be used in the development of our natural resources.

However, we object to this railroad being used precisely to ship our natural resources to other countries.

I therefore urge the minister and the government to consider the idea of a smelter being established as soon as possible, so that we can process our natural resources at home and give employment to our own workers.

We are, I repeat, very pleased with this development concerning our natural resources, but we would like them to be processed here first.

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, we too join in expressing our satisfaction at this announcement, particularly as it relates to the possible refining within Canada of the ores that form part of our natural resource wealth. It is not possible to comment on the announcement in any detail as I did not receive notice of it. I have just checked with my office, and I believe I did not have prior notice, as did the others.

However, I would make one comment to the minister with respect to our mineral resource wealth in northern Canada. I am speaking of the vast area adjacent to Pine Point which we know as Wood Buffalo national park, an area which has been designated as a national park but which has nothing to do with park purposes. We would hope the minister would also release this area for the development of its natural resources, some of which are very vital and important to our economy.

Again we express satisfaction that this step is being taken, and we hope it is just a beginning in the development of our northern natural resources.

GRAIN

REQUEST FOR LEAVE TO TABLE ORDER IN COUNCIL AND PRESS RELEASE

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I ask leave of the house to table copies of order in council P.C 1966-347 dated February 24, relating to final payments by the Canadian Wheat Board with respect to the crop year 1964-65, and a copy of the press release being made by the wheat board today.

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

Some hon. Members: Agreed.

Mr. Clancy: Read them.

Mr. Jorgenson: He is afraid to read them in the house.

Mr. Speaker: There seems to be some difficulty about the minister having obtained permission to table these documents. Suggestions are being made that there is not perhaps unanimous consent. Is it agreed that these documents be tabled?

Some hon. Members: Agreed.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, my first words must be ones of consternation that the minister has chosen this course—

Mr. Speaker: Order, please. It seems to me we have a slight difficulty at this point. There is no statement made by the minister under the terms of standing order 15(2a), and I wonder whether this would allow representatives or spokesmen for other parties in opposition to make statements at this time.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, if I may speak to that. Though strictly speaking I agree with the question you have raised, surely the result of following this through would be that if the government did not want anything discussed it would simply file a document containing all the information that the minister otherwise would have given, and the opposition would then be denied the opportunity of making any observations. I suggest that having followed the course of tabling these documents there should be available to the opposition the right to comment.

Mr. Speaker: The understanding of the Chair is that the document could not be filed because it is not a statutory document, and the only thing that could be done at this time is that the minister might table it by unanimous agreement. This is what the minister is doing. He is not making a statement under the terms of standing order 15(2a), and I suggest there should be no debate on this.

Mr. Diefenbaker: Well then, Mr. Speaker, to be perfectly clear, there can be no consent to the tabling of a document like this because this deprives us of our rights—

Some hon. Members: Hear, hear.

Mr. Diefenbaker: —and it is obviously—

Mr. Speaker: Order, please.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I wonder if there has been some misunderstanding. This is an order in council that the government is asking leave to table, an administrative act of government.

Mr. Bell (Saint John-Albert): What about the press release?

Mr. Speaker: Order, please. The hon. member for Medicine Hat.

• (11:20 a.m.)

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I think the house is entitled to ask the Minister of Finance for some kind of explanation for following this course in making the information available to the house and the Canadian people. I do not think there is any precedent for this. I am sure Your Honour's decision and apprehension about whether there should be a comment when no statement or motion has been made is a very valid position to take, but it seems to me this is a question on which we should have some explanation.

Mr. Speaker: The situation is a bit difficult, in as much as the minister had asked for leave and unanimous consent was given him for tabling—

Some hon. Members: No.

Mr. Speaker: This is the understanding of the Chair and this is why, having heard some doubt expressed from the left of the Chair, I took it upon myself to ask again whether there is leave. Otherwise, if there is not agreement in the house in respect of the tabling of these documents, the minister would be in a position where he would have to make a motion and on the motion there would be a division.

Mr. Sharp: Mr. Speaker, may I say just one word in explanation. I wish to make it quite clear that what I was tabling today was not a

statement I was making, but rather was a statement by the Canadian Wheat Board in Winnipeg.

Mr. Diefenbaker: You are doing by the back door what you are afraid to do by the front door.

Mr. E. Nasserden (Rosthern): Mr. Speaker, yesterday the hon. member for Assiniboia asked the minister whether he would let the house know when the payments by the Canadian Wheat Board would be announced, and the minister promised he would announce those payments to the house today.

Mr. Speaker: The matter is simple. If the minister does not have the consent of the house to table these documents and does not wish to make a motion, the documents will not be tabled.

Mr. Clancy: Mr. Speaker, I would like to say—

Mr. Speaker: Order. A point of order was raised, a decision has been rendered by the Chair, and the matter is closed.

FINANCE, TRADE AND ECONOMIC AFFAIRS

MOTION FOR CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. H. E. Gray (Essex West) moved that the first report of the standing committee on finance, trade and economic affairs, presented to the house on Tuesday, February 22, 1966, be now concurred in.

[*Translation*]

Mr. Alexis Caron (Hull): Mr. Speaker, I must object to the approval of this report which asks that the committee be allowed to sit while the house is in session. If I were to ask its chairman why he wants this permission, he would tell me it was just in case it was needed. This is something to which we always objected. I recall that when we were in the opposition, the present Prime Minister (Mr. Pearson) objected to the move, as did the present Secretary of State for External Affairs (Mr. Martin), the present Minister of Transport (Mr. Pickersgill), the present Minister of Public Works (Mr. McIlraith) and as I did myself. But we were always defeated.

I know also that several Conservative members who requested it then, admit today that they should not have done so.

I feel that the motion recommending that the committee be allowed to meet while the

house is sitting should not have been presented and I am convinced, Mr. Speaker, that it is not necessary. If the committee ever feels that it has to meet, it can always come back before the house and ask for leave to do so. We would examine the situation and find out the reason why the committee wants to meet. At present, nobody knows why. Some want to create a tradition which does not exist, and the proof that it does not exist is that we have the right to object when the motion is submitted.

That is why I object to the motion and ask the members of the house to go on record in this connection.

I think it is illogical that we should be obliged to miss the sittings of the house. We have work to do while the committee meets and if we grant the same privilege to all committees, then 22 committees will want to meet while the house is in session and there will be no members left to attend to the business of the house.

That is illogical and should not be allowed. I ask hon. members to reject this motion.

[*English*]

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, it is so seldom I have the opportunity to support the hon. member for Hull I want to take advantage of it now. What he has said happens to be very correct indeed, because with the multiplicity of committees now set up, if they are all given permission to sit while the house is sitting we are going to be faced with a very difficult situation here in the chamber. We will hear complaints about members not being in attendance here, and the answer to those complaints will be that they are in attendance at committee meetings but that fact will not be obvious to observers and the general public.

I should also like to support the stand that was taken some years ago by the present Prime Minister (Mr. Pearson) and the Secretary of State for External Affairs (Mr. Martin). I did not understand the force of their arguments then but one can always learn, and I recognize now that they were very wise in the opposition they raised at that time. So, along with the member for Hull and the two hon. gentlemen I have mentioned I should like to add my name in support—

An hon. Member: And the house leader.

Mr. Churchill: Was the house leader there at that time as well? Mr. Speaker, I could not be in better company, and I want to add my support to the objection.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, the question that arises in this particular case may not be thoroughly appreciated by the house. The committee on finance is asking for leave to sit while the house is sitting, having arranged for a considerable number of witnesses to appear before it on Tuesday of next week to give evidence relating to a private bill now before that committee.

Mr. Churchill: That is the argument I used a few years ago.

Mr. McIlraith: The question arises as to whether they will complete that evidence in the morning. Personally I hope they do, as I think all hon. members would, so the bill can be dealt with in the morning. However, it may be that they cannot complete that evidence until after 2.30 in the afternoon. In any event it would then be obvious whether they need leave, and the hon. member now making the motion could bring his motion forward when the house opens at 2.30. If it is evident that permission ought to be granted, perhaps we could grant it then. Bearing that in mind, I wonder if the hon. member would agree to let his motion stand on the order paper to be brought forward when it is clear that permission is necessary.

Some hon. Members: Agreed.

Mr. Speaker: Is it agreed that the debate on this motion should be adjourned?

Some hon. Members: Agreed.

Motion stands.

CANADA FAIR EMPLOYMENT PRACTICES ACT

AMENDMENT RESPECTING DISCRIMINATION IN HIRING OLDER WORKERS

Mr. Max Saltsman (Waterloo South) moved for leave to introduce Bill No. C-131, to amend the Canada Fair Employment Practices Act (age discrimination).

Some hon. Members: Explain.

Mr. Saltsman: Mr. Speaker, the chief purpose of this bill is to prohibit discrimination that is rampant in the hiring, treatment and separation of many capable and experienced older workers between the ages of 40 and 45, in line with the report of the National Employment Service, which points out that one of the greatest barriers facing older people is the policy of many employers to refuse to hire persons of the older age group regardless of whether they are capable of doing an efficient job. I repeat, the purpose of this bill

is to prohibit the practice of discrimination in the hiring of older workers.

Motion agreed to and bill read the first time.

• (11:30 a.m.)

COMBINES INVESTIGATION ACT

AMENDMENT TO EXTEND APPLICATION TO PROFESSIONAL SPORTS

Mr. Ron Basford (Vancouver-Burrard) moved for leave to introduce Bill No. C-132, to amend the Combines Investigation Act (professional sports).

Some hon. Members: Explain.

Mr. Basford: Mr. Speaker, as was made clear on Wednesday, the Combines Investigation Act does not apply to professional sports or, in particular, to the operation of the National Hockey League. This bill will amend the Combines Investigation Act to provide that those who conspire or combine together to limit or restrict the opportunity in Canada of persons to participate in or observe any professional sport and which operates against the public interest shall be guilty of an offence and liable to imprisonment for two years.

While this amendment includes all professional sports it is immediately directed at the National Hockey League whose president, Mr. Clarence Campbell, has made it clear that its owners are interested only in their own welfare and not the public interest.

Mr. Speaker: Order, please. I have to interrupt the hon. member to remind him that according to standing order 71(2) he is allowed to make a brief explanation of his bill and not a general explanation of the matter.

Mr. Basford: I respect your wishes, Mr. Speaker, and I think this explanation is brief. I have only one sentence left. This bill would make them—

Some hon. Members: Order.

Mr. Basford: —recognize their obligations to the public and to Canada whether they wanted to or not.

Motion agreed to and bill read the first time.

DIVORCE

MEASURE TO EXTEND GROUNDS

Mr. Robert McCleave (Halifax) moved for leave to introduce Bill No. C-133, to extend the grounds upon which courts now having jurisdiction to grant divorces *a vinculo matrimonii* may grant such relief.

Some hon. Members: Explain.

Inquiries of the Ministry

Mr. McCleave: Mr. Speaker, this bill is identical word for word with the bill introduced in the other place yesterday by the chairman of the divorce committee of the other place. It would extend the grounds for divorce to include desertion without cause for three years, cruelty and incurable insanity in those courts which now have jurisdiction to receive petitions for divorce.

Motion agreed to and bill read the first time.

THE SENATE

ARE RECENT APPOINTMENTS DESIGNED TO BRING ABOUT REFORM?

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would ask the Acting Prime Minister whether Mr. Hazen Argue, who for years was engaged in advocating and supporting the abolition of the Senate before he received this appointment, made it clear that he intended to belong to the suicide squad in the Senate and do his part to abolish that institution; or has he changed his viewpoint in three years?

Mr. Speaker: Order, please. I suggest to the right hon. Leader of the Opposition that this is not a proper question.

Mr. Diefenbaker: Mr. Speaker, I always try to ask proper questions. I then ask the Acting Prime Minister whether the appointees who have found their way into the Senate have agreed on reforming that body and thereby carry out the Liberal program in two elections in that regard.

Mr. Speaker: Order, please. I have some very serious doubts about that question, too.

Some hon. Members: Oh, oh.

BREAD

INVESTIGATION UNDER COMBINES ACT INTO PRICE INCREASE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I am sure we all have some serious doubts about the reform of the other place, in view of recent happenings.

May I direct a question to the President of the Privy Council. In view of the statement made by the premier of Saskatchewan in the legislature to the effect that he had been in touch with the President of the Privy Council and had received assurances that an inquiry would be made under the Combines Investigation Act into the increase in the price of bread, I would ask the President of the Privy Council whether he is contemplating such an inquiry and, if so, when it will begin.

Hon. Guy Favreau (President of the Privy Council): Mr. Speaker, I thank the hon. member for giving me the opportunity to repeat in this house what I said to the premier of Saskatchewan. This is verbatim what I told him over the telephone; that the director of investigation and research under the Combines Investigation Act is aware of the situation and the matter is under study.

Mr. Douglas: A supplementary question, Mr. Speaker. If the director of investigation is aware of the situation, may I ask whether he has been directed by the President of the Privy Council to immediately institute an inquiry and, if so, when it will begin.

Mr. Favreau: Mr. Speaker, I hope the hon. member will not mind if I speak in my own language; it is always easier to express oneself.

[*Translation*]

Mr. Speaker, I discussed the matter with the director of investigation and research, who is now looking into the matter to determine whether or not an investigation is necessary in the circumstances.

[*English*]

GRAIN

METHOD OF ANNOUNCING FINAL PAYMENTS BY WHEAT BOARD

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 Finance. My question involves the rights and privileges of the members of this house. I should like to ask the minister why he chose this method of informing the Canadian people with respect to payments made by the wheat board—

Mr. Speaker: Order, please. I suggest to the hon. member that this is not the type of question that can be asked of the Minister of Finance. It seems to me that questions have to be asked of a minister, in this particular instance the Minister of Finance, in his capacity as minister. The question the hon. member is asking does not relate to the minister's functions in that particular capacity.

Mr. Olson: On a point of order, Mr. Speaker; the Prime Minister has stated in this house a number of times that the Minister of Finance is responsible to parliament for the Canadian Wheat Board, and members ought to have the right to ask this type of question involving that responsibility.

Mr. Speaker: Order, please. Certainly the hon. member has that right, but he is asking a question about the method of tabling documents, and that is not a question which can be accepted at this time.

Hon. Alvin Hamilton (Qu'Appelle): I rise on the same point of order, Mr. Speaker. Some weeks ago in this house I asked a question of the Prime Minister on the same subject, pointing out that the Minister of Finance had on three occasions up to that time ignored the traditional rights of this house. I asked the Prime Minister whether this was the policy of the government. The words of the Prime Minister were that he would leave this question to you as Speaker.

I suggest that now is the time for Your Honour to take this matter under advisement and give us a ruling on this question, which affects the fundamental right of members of this house to hear reports concerning an agency of the government in the only way we can receive these reports, through the minister. We are not being afforded that right. I would ask on this point of order that the Prime Minister's statement that this question be left in Your Honour's hands be considered, and that Your Honour give us a ruling on this type of procedure.

Mr. Eldon M. Woolliams (Bow River): Further on the point of order, Mr. Speaker, the hon. member for Assiniboia (Mr. Watson) yesterday asked whether the minister would be setting out the rates applicable to grain in the second payment of the wheat board. The wheat board is under the jurisdiction of the Minister of Finance for the first time. Surely the Minister of Finance, who has jurisdiction over the wheat board, should answer the question asked by the hon. member for Assiniboia.

Mr. Speaker: Order. May I suggest to the hon. member that the Minister of Finance has not been asked a question. A point of order or a question of privilege or a grievance has been raised by the hon. member for Medicine Hat, but he did not ask a question.

Mr. Woolliams: Then may I put a question to the minister, Mr. Speaker. Would the minister disclose to the house what is the price of grain in the second payment by the wheat board, as appears in the material which the minister tried to file this morning?

Mr. Sharp: Mr. Speaker, I would be happy to do so. I thought it would have helped the house if it had accepted my tabling the documents.

Mr. Diefenbaker: There would have been no argument; that is what you wanted.

Mr. Sharp: The list of prices is several pages long. The statement made by the wheat board today is a public document. The wheat board is competent to issue its own statements in connection with its own operations. I thought it would help the house if we abandoned this procedure of my getting up and announcing what the wheat board has said.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, on a point of order, is the minister now saying that he is not going to answer the question put by the hon. member for Bow River? Instead of making an announcement is he going to leave the members of the house to wait until the newspapers come out in order to see what announcement has been made by the wheat board? Surely this is a completely improper procedure for a minister to adopt. It seems to me that the rules of the house are perfectly clear in this respect.

Mr. Speaker: Order, please.

Mr. Douglas: Such a statement should be made in the house.

Mr. Lawrence Watson (Assiniboia): On a point of privilege, Mr. Speaker, yesterday I asked the minister when he would be disclosing the final payments, and as reported at page 1708 of *Hansard* he said:

> Mr. Speaker, the order in council is being approved today and the announcement will be made tomorrow.

So far as procedure is concerned, I have in my hand the announcement that the Minister of Trade and Commerce made a year ago. It is a three page document which was disclosed to the house on motions. I can see no reason for denying the house the privilege of learning right now what is the final wheat payment. One sentence in the statement made last year is as follows, as reported at page 11870 of *Hansard* for March 2, 1965:

> Never before has so much wheat been handled and moved and sold so quickly and at such high prices.

I suspect that today the farmers have been denied these high prices, and that the minister is afraid to disclose this information.

Mr. Speaker: Order, please. The hon. member for Medicine Hat.

Mr. Olson: Mr. Speaker, may I rephrase my question then and ask the Minister of Finance what are the prices, and whether they are comparable with last year's.

Mr. Sharp: Mr. Speaker, I would be very happy to answer these questions, and I am sorry the members of the opposition denied me the opportunity of tabling the figures previously.

Some hon. Members: Oh, oh.

Mr. Sharp: I have not the slightest hesitation in announcing the prices or the payments, which under the circumstances are excellent. This is the second largest payment in the history of the Canadian Wheat Board. The total amount is $200,107,082. As I say, this is the second largest amount distributed by the wheat board in its history.

Mr. Woolliams: What is the price per bushel?

Mr. Sharp: The average price per bushel was 38.124 cents for wheat other than Durum. For Durum it was 39.579 cents. This is exceeded only by the payments made while this government has been in office, and exceeded only once by a very slight amount when the previous government was in office.

Mr. Starr: So that is why you did not want to tell us.

Mr. Hamilton: Would the minister confirm that the price for grades 3 and 4 last year was approximately 13 cents per bushel higher on both these crucial grades to western farmers?

Mr. Nielsen: He did not want to talk about that.

Mr. Sharp: Mr. Speaker, I am very happy to answer any questions which hon. gentlemen put to me. I would be very happy to give comparisons not only with last year but with many years, if the house would bear with me.

Let me take, for example, the price of No. 1 northern. In the crop year I am reporting on the price was $1.89, approximately. The previous year it was $1.97; the year before that $1.87; the year before that $1.91. Then when we get back to the great years of the Conservative administration the price was $1.79 and $1.59.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: What about the undertaking in regard to $2 wheat?

Mr. Hamilton: Mr. Speaker, the contempt with which the minister—

Some hon. Members: Oh, oh.

Mr. Hamilton: —has treated my question is evidenced by the fact that I asked for confirmation from him that the price of No. 3 and

No. 4 last year was 13 cents higher than the price for this year. He then proceeds to go back over the years and tell us about No. 1 wheat, which nobody asked about. I want the minister now to answer the question I asked. Is it true that the price of No. 3 and No. 4 is down approximately 13 cents a bushel this year over last year?

Mr. Sharp: Mr. Speaker, I would be very happy to give the figures for No. 3 northern; I have no hesitation at all. For the crop year 1964-65, upon which the wheat board has reported today, the price was $1.78; the previous year it was $1.91; the year before that $1.82; and the year before that $1.88. Then we get back those great years when it was $1.74 and $1.52.

Mr. Watson (Assiniboia): Mr. Speaker, last year the minister in his announcement did not go into a preamble in quoting prices of $1.80 and $1.90; he gave us the figures for grades—

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

Mr. Watson (Assiniboia): Last year the minister gave us the amount of the final payment on each grade. If he would do that today in plain, simple language it would do away with all this fuss which is going on now.

Mr. Speaker: Order, please. The hon. member for Burnaby-Coquitlam.

Mr. Douglas: Mr. Speaker, since Your Honour permitted the minister to say that he was sorry the opposition had not permitted him to table the document, I hope you will also permit me to say that I am sorry the minister did not make his announcement on motions in the proper manner, so that comments could have been made and we could have saved a great deal of time.

I want to ask the minister whether he will give us the comparative figures for No. 4 for this year and last year; and has he also a comparative figure of the average for all grades of wheat for this year and last year?

Mr. Sharp: Yes, Mr. Speaker. First of all may I just raise a question of privilege. I really felt, and I have felt for a long time—I have always tried to do this while I have had responsibility for the wheat board—that I should attempt not to confuse the responsibilities of the minister with the responsibilities of the Canadian Wheat Board. I thought it would be a waste of the time of the house for me to read into the record the statement

made today by the Canadian Wheat Board. I feel this ought to be the practice to be followed in the future. Therefore I felt the desirable course of action was to table the documents prepared by the Canadian Wheat Board at the same time as the order in council which set out the final prices.

Mr. Douglas: Mr. Speaker, if the minister is going to debate this matter on a question of privilege, then the opposition have the right to know whether the minister takes the position that as minister responsible for the wheat board he has not the responsibility to make any announcements in this house regarding any statements being made by the wheat board.

Mr. Speaker: Order, please. The hon. member for Burnaby-Coquitlam did ask a question, and I suggest that the minister reply to it.

An hon. Member: Try to answer the question.

Mr. Speaker: There is no question of privilege.

Mr. Sharp: The hon. member for Burnaby-Coquitlam asked me about No. 4 northern. The prices for the year that I was making the announcement about are $1.72 approximately; the previous year $1.85; then $1.74, $1.82, back to $1.69 and then $1.47. These are the prices for the past six years.

Mr. Douglas: What is the average for all grades?

Mr. Diefenbaker: I have no information about this, but I ask the minister, in view of his statement as to the responsibilities of the minister, did he issue any press release today himself?

Mr. Sharp: No.

Mr. Diefenbaker: He did not? Then there is no foundation for that?

Mr. Sharp: No.

Mr. Diefenbaker: That is fine.

Mr. Sharp: So that there is no misunderstanding, in Winnipeg today the wheat board published the statement that I endeavoured to table here today.

BUSINESS OF THE HOUSE

REQUEST FOR CONSIDERATION OF SENATE ABOLITION LEGISLATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Public Works in his capacity as house leader. Would the minister consider making arrangements some time today for time to consider Bill C-15, so that we might finish the job on the Senate which the government did on it yesterday.

FISHERIES

IMPLEMENTATION OF LEGISLATION RESPECTING BASE LINES

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): I wish to direct a question, Mr. Speaker, to the Secretary of State for External Affairs. On February 24 the Minister of Fisheries announced control measures to regulate sealing operations on the Atlantic coast, and the new regulations prohibited the taking or killing of hood seals in the entire gulf of St. Lawrence region. On May 20, 1964, the Secretary of State for External Affairs introduced Bill No. S-17 dealing with Canada's territorial waters. He said that when the bill comes into effect the governor in council will be authorized to draw straight base lines.

Since the announcement of the Minister of Fisheries states that a base line has been drawn from Channel Head near Port aux Basques, Newfoundland, to Scartarie light off the northeastern tip of Cape Breton, Nova Scotia, and no one can kill or take seals in this area—

Mr. Speaker: Order, please. This question is not properly put. I suggest to the hon. member that perhaps there is a question which should be asked which might be a matter of urgency but the hon. member is really prefacing the question by a rather lengthy argument.

Mr. Crouse: Mr. Speaker, I prefaced my remarks so the minister would understand what I was trying to bring before the house. The question is this. Does this drawing of base lines imply that the government is now ready to implement Bill No. S-17, defining via base lines the internal waters of Canada?

Hon. Paul Martin (Secretary of State for External Affairs): That, of course, cannot be done, as my hon. friend I think will appreciate, until we have completed our negotiations with the other countries concerned. The straight base lines have to be drawn from points that are based in turn on an acceptance of the position Canada takes with regard to waters which come within Canadian jurisdiction.

Inquiries of the Ministry

NORTH PACIFIC—IMPROPER PRACTICES BY JAPANESE AND U.S. FISHERMEN

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Fisheries and ask him whether he has given consideration to that rather full and comprehensive brief of the United Fishermen and Allied Workers Union on the Pacific Coast. Is the minister in agreement with the allegation in that brief, for instance, that there has been a considerable reduction in the production of salmon and halibut because of most improper practices in deep sea fishing by Japanese and also by United States fishermen in the Alaska area? May I ask what the government intends to do in that connection?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, this is a very long question. It would require a very long and detailed answer. I shall try to make the reply as brief as possible.

On Tuesday I had a meeting with the delegation which was here all week. We had a very profitable meeting, and I understand that the secretary of the group with which I met, issued yesterday a press release which deals thoroughly with the discussions that took place.

Having regard to the reduction in salmon and halibut production in the Pacific, I suggest that this is a matter presently being given serious consideration by those countries participating in the north Pacific treaty which is now under negotiation. Reference was made to the fact the U.S.S.R. should be invited to join this treaty, and I stated that personally I had no objection but that Canada would not take a unilateral position in this regard. The treaty is a tripartite treaty concerning all three countries, and if and when the U.S.S.R. is invited to join it will have to be done by the three nations which take part in this treaty.

Mr. G. L. Chatterton (Esquimalt-Saanich): A supplementary question, Mr. Speaker. Would the minister bring before the tripartite committee the suggestion that the U.S.S.R. be invited to join it?

Mr. Robichaud: Mr. Speaker, this is a matter which is being considered by the three nations which comprise the north Pacific treaty. As I suggested before in this house, the time may not be ripe to invite the U.S.S.R. because a principle of abstention is involved. Unless we can confirm that the U.S.S.R. is prepared to abide by this principle, then it would depend on Canada, United States and Japan to extend such an invitation. This is a matter under consideration, and when the three nations become convinced that the U.S.S.R. is accepting those principles then personally I will be prepared to state that it could be to the advantage of all countries concerned to have a four party treaty instead of a tripartite treaty.

[*Later:*]

Mr. Barry Mather (New Westminster): I have a question to direct to the Minister of Public Works. It relates to an earlier question put to the Minister of Fisheries in connection with the delegation of west coast fishermen. Has the minister yet met this delegation, and if not would he consider meeting with them before they return?

Mr. Speaker: Order. I wonder whether it is in order during the question period for hon. members to ask whether ministers have met delegations, or propose to meet delegations. I suggest this is not a matter of such urgency that the question should be allowed at this time.

EXTERNAL AFFAIRS

VIET NAM—REPORTED STATEMENTS BY PARLIAMENTARY SECRETARY TO PRIME MINISTER

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, this is a question for the Secretary of State for External Affairs. My question is, does Canada act as spokesman on behalf of India, Burma, Ceylon and Malaysia with respect to all matters concerning the current Viet Nam situation? Second, is it indeed the view of the government that the Viet Nam situation will soon be resolved into a state similar to the Cuban situation?

Mr. Speaker, I ask these questions in view of a statement reported in the Edmonton *Journal* of last Tuesday, alleged to have been made by the parliamentary secretary to the Prime Minister who was also formerly chairman of the external affairs committee of this house. The statement is alleged to have been made when speaking to students at the University of Alberta.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I have not seen the statement to which my hon. friend draws attention. Canada, of course, does not speak for the countries he mentioned. India is a member of the commission, and while there are co-operative exchanges between members

of the commission, this does not involve the adoption by one country of the foreign policy position of another. Likewise, Burma and Malaysia are independent countries, and as my hon. friend well knows are capable of expressing, and do express, their own independent positions.

Mr. Nesbitt: A supplementary question, Mr. Speaker. Would the minister then answer my second question. Is it now the view of the government that the present Viet Nam situation will soon be resolved into a state similar to that of the Cuban situation.

Hon. Gordon Churchill (Winnipeg South Centre): I was wondering if the minister would simply state that the reported statement of the parliamentary secretary was completely inaccurate and wholly irresponsible.

Mr. Martin (Essex East): My hon. friend well knows that I will not do that. I have not seen the statement. When I do see the statement I shall be glad to give my judgment about its contents.

Mr. Nesbitt: I shall ask the question again.

[*Later:*]

Mr. Churchill: I have a question for the Secretary of State for External Affairs. I should like to ask him whether the statement made in Edmonton by the parliamentary secretary to the Prime Minister, the hon. member for Leeds, is an accurate representation of the views of the present government. His statement, in quotation marks, was "We have to stumble to a stalemate." Is this the course which the government is following not only with regard to South Viet Nam but with regard to other problems?

Mr. Martin (Essex East): If I were a politically minded man—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —I would say that the words used by my hon. friend apply precisely to the former administration.

HEALTH AND WELFARE

BRITISH COLUMBIA—ASSISTANCE IN VIRUS PNEUMONIA EPIDEMIC

On the orders of the day:

Mr. D. W. Groos (Victoria, (B.C.)): Mr. Speaker, I have a question for the Minister of Health and Welfare to which perhaps his parliamentary secretary may wish to reply in his absence. I just wish to ask if there is a reply to the question which the minister took on notice yesterday.

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): In the absence of the minister I should like to say that officials of the department have been in direct contact with the United States public health service and with the provincial health department concerning the influenza outbreak in the United States and British Columbia.

We have received samples for examination from British Columbia, and we are prepared to offer every assistance in regard to a possible immunization program if considered advisable in consultation with British Columbia health officials.

Some hon. Members: Hear, hear.

COMBINES

GASOLINE—REQUEST FOR INVESTIGATION INTO PRICES

On the orders of the day:

Mr. David Lewis (York South): I have a question to direct to the President of the Privy Council. I should like to ask him whether the director of research and investigation under the Combines Investigation Act is contemplating an investigation into retail gasoline prices and the control of such prices by the petroleum companies.

Mr. Speaker: Order. May I suggest that the hon. member place this question on the order paper.

Mr. Lewis: With the greatest respect to Your Honour, it is not many minutes ago that a question was directed to the President of the Privy Council with regard to an investigation into the price of bread. It is probably my dullness, but I cannot see any difference in principle between the price of bread and the price of gasoline.

Mr. Speaker: But the Chair saw a difference between the price of bread and the price of gasoline. The Chair was under the impression, and still is, that the former question was more urgent; moreover, it was phrased in a way which conveyed a sense of immediate urgency. As to the second question, if the hon. member feels there is the same urgency attached to it he might ask that it be debated on the adjournment motion.

Inquiries of the Ministry

SPORTS

HOCKEY—SIGNING OF PLAYERS UNDER 18 YEARS OF AGE

On the orders of the day:

Mr. R. N. Thompson (Red Deer): My question is intended for the Minister of National Health and Welfare. In his absence I will direct it to his parliamentary secretary. In view of the current move by the Alberta legislature to make it illegal for the United States-oriented National Hockey League to sign a contract with any boy under 18 years of age, is the government intending to take similar action—

Mr. Speaker: Order. This does not appear to be a matter so urgent that it might not be placed on the order paper.

COMMONWEALTH RELATIONS

RECOGNITION OF GOVERNMENTS FOLLOWING REVOLUTION OR REBELLION

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): A question for the Secretary of State for External Affairs. In a radio broadcast last night the hon. gentleman indicated in connection with a reference to Ghana that the practice of the Canadian government in recognizing *de facto* regimes in commonwealth countries differed from the practice in recognizing countries which are not members of the commonwealth, and that Canada recognized in the commonwealth a *de facto* regime which seemed to be in control of affairs. Is there a difference between Ghana and Nigeria and Rhodesia in this regard?

Hon. Paul Martin (Secretary of State for External Affairs): This question was raised by the Leader of the Opposition on one recent occasion when he questioned whether it is customary to recognize new commonwealth governments.

Mr. Diefenbaker: After revolutions and rebellions.

Mr. Martin (Essex East): After revolutions. I pointed out at that time that this had not been the practice, but that the British government in the particular case had withheld recognition, later according it. The practice of recognition of governments of commonwealth countries is not precisely the same as in the case of countries outside the commonwealth. In many instances recognition is accorded automatically. In respect of cases such as that which occurred in Ghana yesterday, the practice is developing of carrying on with the government which has taken over, but according no formal act until some interval has elapsed. We shall carry on with the present arrangement for Ghana. Whether there will be any formal act will depend on information which is not now before us.

Mr. Lambert: Will this apply also to Rhodesia?

Mr. Martin (Essex East): Rhodesia, of course, is a colony.

Mr. Lambert: What a fine distinction.

Mr. Martin (Essex East): Well, it is a distinction.

Mr. R. N. Thompson (Red Deer): Perhaps the Secretary of State for External Affairs could answer the question I put to him yesterday relating to Uganda, in the light of what is taking place there at the present time.

Mr. Martin (Essex East): In the case of Uganda there is, of course, a difference. There has been no coup d'état. The prime minister has taken over full powers of administration, the constitution has been suspended, and it is reported that Prime Minister Obote will carry on with an advisory council.

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I have a question for the Minister of Transport arising out of the fact that there still exists a vacancy in the Senate from the province of Newfoundland. I should like to ask the Minister of Transport whether he will meet the delegation from the United Fishermen and Allied Workers Union before that vacancy has been filled.

Mr. Speaker: Order, please. There seems to be a non sequitur in this question.

[*Translation*]

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs.

Could he tell us whether the Leader of the Opposition agrees with his friend, Mr. Daniel Johnson, who suggested that Mr. Hugues Lapointe was the last Lieutenant Governor of the province of Quebec?

[*English*]

Mr. Speaker: Order, please.

[*Translation*]

HOUSE OF COMMONS

RIGHT OF MEMBER FOR MONTMAGNY-L'ISLET TO VOTE IN HOUSE

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to direct a question to the Minister of Public Works as house leader.

I should like to ask him if he was informed that the Chief Justice of the Superior Court of the province of Quebec, Hon. Frédéric Dorion, has rendered judgment in the petition presented by the hon. member for Montmagny-L'Islet and has recommended—

[*English*]

Mr. Speaker: Order, please. A question of privilege was raised by the hon. member for Yukon on this matter, and the Chair will be given an opportunity at the beginning of the week to express an opinion about it and invite the house to take whatever action it may wish to take.

SUPPLY

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

DEPARTMENT OF JUSTICE

Legal and other services—

1. Administration including the office of the superintendent of bankruptcy, grants and contributions as detailed in the estimates, gratuities to the widows or such dependents as may be approved by treasury board of judges who die while in office and authority to make recoverable advances for the administration of justice on behalf of the governments of the Northwest Territories and the Yukon Territory, $2,504,300.

[*Translation*]

The Deputy Chairman: Order. Estimates of the Department of Justice, vote No. 1. Shall vote No. 1 carry?

• (12:10 p.m.)

[*English*]

Mr. Baldwin: Mr. Chairman, this has been an excellent debate so far although we are still waiting to hear from the government on some of the important issues that have been raised. I do not know whether I can take the debate to the same degree of rhetorical exuberance that it reached yesterday, but I do want to comment on an extraordinary statement made by the hon. member for York East. He said there were many serious problems in connection with the administration of justice in Canada and went on to say, as found on page 1730 of *Hansard* of February 24:

> I was not surprised to find some reaction to the proposal to split the department into two. I admire this move. I think this is reform because at least it is a change.

I know of nothing which indicates more the attitude of the government toward reform, namely, that all it needs to do is split departments into two.

During the course of the question period just ended I heard some comment about the government's stumbling and I think that is a pretty fair description. But even more than that, when the government has to face a problem it seems that its usual reaction is to fly into a fury of uncontrolled inaction and do nothing, something like a yo-yo, up and down, up and down but always in the same spot, never moving and never achieving any result.

I also heard the comments of the Minister of Justice concerning some of the serious questions raised respecting bankruptcy. The suggestion was made that this was a matter which could well be left to the provinces. I realize that so far as the Criminal Code is concerned—any member of the bar who has practised before the criminal courts will bear me out on this—by constitutional practice and by custom there is left to the provincial administrations acting through the various Attorneys General the prosecution of criminal cases, especially those arising under the Criminal Code. It is also a known fact, however, that with regard to matters coming under other federal statutes, for example, the Excise Act, the Narcotic Act and the Immigration Act, the almost invariable practice is for the Minister of Justice to appoint counsel who prepares these cases and prosecutes where necessary.

An examination of the Bankruptcy Act indicates that a large number of matters are referred to which constitute offences under that act, and the practice has been followed that such matters be referred to appropriate counsel. Those of us who were here in the last parliament know there are counsel appointed by the Minister of Justice. We all had a chance to examine a very interesting list which was prepared by another minister of the Crown who has since gone on to a higher position and we know that the list included the names of those who were agents of the Minister of Justice. Therefore I assume there are competent counsel in this country, and if there are offences under this act I suggest it is through the medium of the minister and

his officials that these prosecutions should take place.

I hope, Mr. Chairman, that the utmost use will be made of the standing committee which has been set up. I am not referring to the select committee which the Solicitor General mentioned but the standing committee which will be dealing with various matters concerning the administration of justice, no matter under whose department they may fall.

There has been reluctance on the part of the Prime Minister to refer the matter of Mr. Spencer to a royal commission. I shall deal with that later. But even though I am not a member of the standing committee, although I hope to exercise my rights to appear before it from time to time and conduct certain examinations, I trust that the committee, if it sees its duty as I see it, will call Mr. Spencer before it, as it has every right to do, when it is examining the estimates of the department for the fiscal year 1966-67. I see no barrier to the committee calling Mr. Spencer before it and conducting a thorough and careful examination of all the facts about which hon. members, particularly members of the opposition, have shown such great concern.

If no other medium is established, I also hope the committee will call before it the superintendent of bankruptcy and such other officials as it sees fit. This is not a matter that needs to be referred to the committee by the house. As I understand the rules and practice under which these committees are constituted, there will be a mandatory reference of the estimates to the committee and during the process of examination of those estimates there are sure to be items under which it will be possible to call these people for that close and detailed examination which is so essential in order that the people of the country can be reassured, if it is possible to reassure them, about these serious matters that have come to light.

I now wish to talk about the Combines Investigation Act, which was discussed yesterday. I understand this is a matter which comes strictly within the purview of the President of the Privy Council.

During the time he was minister of justice I asked him one or two questions, both on estimates and orders of the day, which indicated that in my opinion, from an examination of the jurisprudence in this field, there was great doubt whether the constitutional practice of resting the operations of the Combines Investigation Act and the restrictive trade practices jurisdiction on the Criminal Code was satisfactory. True enough, I know that decisions of the past have suggested this may have been proper at that time, but my recollection is that the minister intimated to me that he and his officials were giving serious consideration to deciding whether or not the jurisdiction could be broadened by invoking the provisions of the B.N.A. Act, section 91, under the head, "the regulation of trade and commerce".

I do not know to what extent this has progressed, but from an examination of the decided cases and having in mind the purpose for which this legislation was designed I believe that it has failed to achieve what we set out to obtain many years ago when the legislation was first introduced.

In this connection an interesting article appeared in the last edition of the *Alberta Law Quarterly*. It is by Professor MacDonald, assistant professor of the faculty of law at Queens University. At page 67 of the *Quarterly* he deals at length with the question of criminality and the Canadian anticombines law. I shall not go into detail. He makes some very prudent observations, and an examination of the article supports the view I take that if we are going to use this type of measure effectively we will have to proceed on a much wider basis.

I am not here to suggest how this might be done. It may be essential to have consultation with the provincial governments to see whether or not the constitution is in fact a rigid barrier to the type of jurisdiction we need. There may have to be consultation with the provinces to see if they will lend their efforts and we might have some kind of joint program. I am inclined to think—and I mention this with diffidence because I dealt with the subject some few days ago—that it may be possible now.

• (12:20 p.m.)

I think it is a known fact that the Supreme Court is now the final arbiter in matters of constitutional practice in this country. As I understand the view expressed by some of the judges of the Supreme Court and the Privy Council, they are not necessarily bound by the decisions of the past. In other words, the principle of *stare decisis* is not a principle which should apply to constitutional matters. I should like to see the most careful review of the combines legislation to see whether it can be effective and to see whether there may be some measure of control without attaching the stigma of unreality in matters which involve decisions which have to be

made by large corporations and which can have a very serious and detrimental effect on the people of this country.

I think the way we should approach it is to consider whether or not we should broaden the jurisdiction by invoking the trade and commerce section of the B.N.A. Act. Some time or other I would ask the President of the Privy Council to give us his view and indicate the extent to which the investigation by his officials, which he indicated to me would take place has progressed.

I should like to deal very briefly with one other matter before I revert to the Spencer case. During the course of the report of the Auditor General reference was made on several occasions by this official to the fact that in his opinion there had been a number of breaches of the Judges Act by reason of the practice which has grown up of providing for judges who are appointed to various tribunals a measure of financial consideration which is designated as being a cost of living allowance. As the ministers know, it is quite definite that the Judges Act provides that there shall be no remuneration given to an occupant of the bench over and above his salary. The Auditor General's opinion—he has had access to counsel in Toronto and in Montreal—is buttressed by the report he has received from these people, as well as by the recommendation of the Public Accounts Committee, to the effect that the payment of sums in the amount of say $100 a day contains an element of remuneration which is contrary and repugnant to the provisions of the Judges Act.

This may be a small issue, Mr. Chairman, but the government comes to the people in an effort to secure the greatest measure of law and order. It is for it to put its house in order in every way and certainly, sir, a suggestion which has been made on several occasions that judges occupying the positions they do have not been following the law because of this fact is, I think, something which should be considered by the department.

I should like to deal now with the Spencer case. I think it is a tremendous tribute to this parliament and to this country that this poor unfortunate individual, for whom I hold no brief, has had his case ventilated in the fullest detail or at least to some extent. As a result of a request made by the right hon. Leader of the Opposition and the members of the opposition the Prime Minister made a statement with regard to Mr. Spencer. It is a statement I do not accept, but at least he was compelled to make the statement. I already have suggested that in my opinion, inasmuch as the Prime Minister has indicated that no inquiry will be held, that we at least should have the benefit of Mr. Spencer's appearance before the standing committee. I see no reason that this should not be done and therefore I will reserve any further comments on the question of the rightness of the action taken in the hope, in which I hope I will be supported by members of the house, that he will be appearing before the committee.

I do want to say something with regard to what I think is a very serious by-product of this case. I have noted some of the interventions made during the course of this session in respect of the Spencer case. The first time it was brought up was on January 21 when the Leader of the Opposition asked the Minister of Justice to comment on it. At that time the minister made what I considered an extraordinary statement supporting and corroborating the position he had taken on a television broadcast, which might have been excused at that time under the circumstances that prevailed but which I hardly think could be excused when given calmly and deliberately in response to a question in the house. The minister said as found on page 85 of *Hansard:*

> Mr. Speaker, there is no specific law or statute that covers the question of surveillance; it flows from the ordinary administration of the law by law enforcement officers.

Then the minister went on to deal further with this matter. I was prompted to ask the Prime Minister as a supplementary question whether he asserted on behalf of the government that a general right exists to scrutinize and keep under surveillance any citizen on the basis of what the government thinks that citizen may do in the future. This line of thought on the part of the government, which is clearly indicated and clearly delineated in those questions and answers was followed further by the Minister of Justice on January 31 as recorded on page 425 of *Hansard* where he made this statement:

> As to surveillance, I said, in the course of a television program, that there would be surveillance on this man as long as he remains in Canada. It would be irresponsible not to keep such a man under surveillance fitted to the needs of the case. As already mentioned, security operations are primarily preventive in nature and success must often depend on surveillance.

Further comments were then made. Again, Mr. Chairman, on February 8 the Minister of Justice, in response to a question by the right

hon. Leader of the Opposition, said—*Hansard*, page 876:

> I am not aware that Mr. Spencer has asked for a visa to leave Canada. As far as surveillance is concerned, as I have mentioned on several occasions surveillance is maintained on Mr. Spencer as the case requires. No decision has yet been made as to whether a judicial inquiry will be held in this case.

Again, on February 9 in response to a question again asked by the Leader of the Opposition the Minister of Justice said—*Hansard*, page 964:

> Mr. Speaker, I have no information concerning a visa being asked for by Mr. Spencer. I have never said Mr. Spencer was dangerous to the state.

Finally, Mr. Chairman, the Prime Minister in making his statement on February 23 said —*Hansard*, page 1683:

> The surveillance which has been exercised over Mr. Spencer in his own interest as well as in the public interest has been adapted to the requirements of this particular situation.

In my opinion I consider that these statements taken together constitute an extraordinary approach on the part of the government to their rights. My considered opinion is that the type of surveillance envisaged in this case is just as much an infringement of liberty as it would be to take Mr. Spencer or anyone else and put him in jail. True enough, the jails are full of people but they are full of people who have been convicted of offences which this parliament and the legislatures of the ten provinces have decided were acts contrary to public interest and have so declared after debate in which all persons have had an opportunity to participate. They have become the law of the land and the people who are in jail are in jail because they have been convicted of an offence in that way.

• (12:30 p.m.)

A careful and detailed examination of the provisions of the Criminal Code and the Official Secrets Act indicates that there is the widest possible latitude on the part of the government and government officials if they see fit to take the steps necessary to prevent the commission of any criminal offence or threat of any offence recognized by and denoted under the Official Secrets Act. When I hear the Prime Minister of this country and the Minister of Justice indicate that in their view the executive has an inherent right to place any individual under continuous surveillance such as is envisaged here, I suggest it is high time that this parliament interested itself and sought from the Prime Minister and the minister some better answer than has been given today.

[Mr. Baldwin.]

Mr. Diefenbaker: When was the first reference made to the fact that this was being done for his own protection?

Mr. Baldwin: The question has been asked when the suggestion was first raised that this surveillance was being carried out for the protection of the individual. So far as my research has indicated, the first reference was made by the Prime Minister in his statement to the house the other day.

I suggest there are enough encroachments on individual liberties today. Some of them are essential, some of them are covered by legislation such as the Customs Act, the Excise Act, the Immigration Act, and the War Measures Act if it is ever invoked. However, these are all matters in respect of which parliament has spoken.

I should like the Prime Minister or the Minister of Justice before this debate is concluded to indicate to the house whether it is their view that the executive of this country, represented by the cabinet and their appointed officials, have the right to place any individual under the type of surveillance that is envisaged here without going through the due process of law under the authority of a statute which this parliament has made. It might well be that I might choose to make an inflammatory speech in this house. Does that mean that I could be followed or placed under continuous surveillance? Hon. gentlemen may say that such an idea is farfetched. I do not think it is because the principle is precisely the same. I hope that before this debate is concluded we will be given a clear and precise answer with regard to this serious situation.

Mr. Mackasey: Mr. Chairman, I can assure the house and the hon. gentleman who just rose in anticipation of being the next speaker that my remarks will be fairly brief. Not being a member of the legal profession I normally prefer, during the consideration of the estimates of the Department of Justice, to sit and listen to the members of the house who because of their vocations are necessarily much more familiar with the Department of Justice, the administration of justice and all the other legal involvements that are confusing to the average backbencher.

That does not mean, Mr. Chairman, that I have been unable to appreciate the debate thus far. I share the view of the hon. member who has just taken his seat that in general the calibre of speeches made since our consideration of the estimates of the Department

of Justice began has been on a fairly high plane. I suppose they have been of interest to me because each and every speaker has added to my limited store of knowledge about the Department of Justice and the administration of justice in Canada. I must admit at the outset that I have a very limited knowledge of what is basically federal and what is basically provincial jurisdiction.

I was particularly impressed by the contribution of the hon. member for Kamloops, in fact, to the extent that I re-read his speech this morning. Not only did it reflect a thorough knowledge of the Department of Justice, not only did it contain what I thought were very objective criticisms of the department, but it could be considered as a lesson to the average member who wants to make an effective and objective contribution to the debate. I say this because there was a lot of meat in the speech made by that hon. member and because it was delivered without the belligerence that unfortunately a lot of us think is necessary to make a speech effective.

I cannot help but contrast the depth of the remarks of the hon. member for Kamloops with the speech I was privileged to hear a little earlier delivered by the hon. member for Bow River, my old sparring partner of last session. I should like to refer to some of the remarks of the hon. member for Kamloops a little later in my speech if time permits.

I should like particularly to make reference to one paragraph which I think is valid in that it points out the dangers that may result from the exercise of legal authority within the Department of Justice. I intend to read that paragraph from *Hansard* because I think in it the hon. member for Kamloops implies very strongly that some of the problems that faced the former minister of justice leading to the Dorion inquiry could easily have been avoided had there been a form of mechanism within the department for the exchange of information, perhaps through joint meetings of the officers of the various branches that make up the ministry of justice.

This paragraph is very important so far as I am concerned because it explains to me why no action was taken against Hal Banks between the years 1958 and 1962. I do not suggest this in a sarcastic manner but rather objectively because although I am not a lawyer I realize there is a very sharp line of distinction between what is immoral and what is considered under the law to be illegal.

The hon. member for Peace River made a very excellent speech a few minutes ago regarding what is commonly referred to as the Spencer case. It contained much food for thought and emphasized what I have sought to emphasize when speaking in this House of Commons on occasion, the rights of individuals no matter how humble they may be. If a man like Spencer cannot have his case presented in the House of Commons, the highest court of the land, where can he turn for protection? If this high court becomes so callous that we are not interested in the rights of the individual it is time for us to sit back and take stock. The individual to whom I refer could be a Spencer or a Banks, and I am sure that the lawyers of this house, who are not as emotionally involved in personalities because of their background and training, can understand this point better than I.

Before I lose the trend of my thought I should like to make the original point I intended to make in this debate, and I draw it to the attention of the minister. I have had more than one constituent come to me with complaints of a similar nature, not because I am a lawyer but because I am a member of parliament like every other member of the house. I should like to give one example. Approximately three weeks ago a young man of 34 years of age, married and with three children, a man devoted to recreational activities in the community, active in one of our social welfare organizations, a man who has worked extremely hard for the company which employs him, suddenly realized that his hard work was to be recognized and that he was to be promoted from an average position to one of trust within his company.

• (12:40 p.m.)

He had worked for this company for 12 years and had an impeccable record. However, he found to his amazement that because of his new position of trust the company had gone back into his record—they felt this to be necessary despite his 12 years of service—and after a thorough investigation of this young man's past had discovered that at the age of 19 he had been arrested and convicted of a common assault which occurred outside a Montreal nightclub. At that time the young man served a few days in prison. That blot is still on his record 15 years after the offence. His crime against society is no greater than that.

Being a belligerent Irishman, Mr. Chairman, I can recall half a dozen occasions when but for the grace of God my name would also

have been in the permanent files of the R.C.M.P. This man has not only been refused promotion but it has been suggested that in the opinion of the pompous board of directors he should find another position in the next 60 days. This is not an isolated case; this sort of situation has been brought to my attention on half a dozen occasions. This is not the case of a man who has broken the law two, three, four or five times thereby establishing a pattern or a tendency to become a criminal. It is the case of a man who has broken the law once and that once when he was a teen-ager.

When one inquires around parliament one is told that there may be a way in which his record can be cleansed. But is there a way? If there is a way, why do we have to be furtive about it? Why do we not amend the laws of the land to make some provision to cleanse the record of a young man or girl who after an offence has served society well for five or ten years and has not shown any tendency to repeat an act of violence or break the laws of the land? In those circumstances why cannot their criminal record be wiped out as is done in the case of juveniles? I am not a lawyer, Mr. Chairman, and cannot even offer a suggestion because I feel very inadequate at the moment.

I should like to refer to another case which came to my attention last Friday. This case affects me deeply. I arrived home as usual at 20 minutes to eight and as usual the telephone rang at 15 minutes to eight. A distraught mother had called to inform me that her young son had been arrested two hours earlier and she could not get sufficient information with regard to what would happen to her boy. So I went to the local police station and found that her son together with four other boys of my community had been detained or arrested, whichever is the correct word, for breaking into the local high school.

After breaking into the high school they had thrown school books around, stolen 92 cents and finally, very unfortunately, had set fire to a wing of the school. The fire resulted in considerable material damage. Certainly they should have been picked up and detained or arrested. But what concerns me more, and I have no answer for this problem, is that I found on investigating the matter with the police that this young man 15 years of age, who as far as I understand comes from a normal home and is one of three or four children, was first arrested or detained—I do not know the right word when talking about juveniles—in the community of Verdun at the age of 10 and was re-arrested at the age of 12 and again at the age of 14. At the time of this last offence he was 15.

Considered by themselves each of these charges was perhaps not too serious but I feel they denote a pattern of behaviour if this is the word to use. To a father of a boy of 12 who has just discovered "Treasure Island" or "Huckleberry Finn" it seems inconceivable that a youngster of 10 or 12 years of age can run afoul of the law. But it happens. What disturbs me more as a father is the fact that, this tendency to rebel against society having been discovered in this young man at the age of 10 or 12, nothing had been done about it. It is all very well to say it is the parents' fault, and perhaps it is. But it is also our fault because if young children of 10 or 12 commit this type of offence there should be some medium at our disposal whereby they can be helped. The medium may be either provincial or federal but something should be done to prevent this type of conduct in the future on the part of a young person and find out what is troubling him.

The thought went through my mind as I sat in that cold, dirty police station discussing this question that, if something is not done for this boy who is only 15 years of age, by the time he is 17, 19 or 21 he may be arrested on a charge of murder committed while holding up a drug store. It was at that moment I came to the conclusion that when we vote in this house on the question of capital punishment I shall vote for the abolition of the death sentence. I shall do this because somewhere along the line we have failed that young person of 10 or 12 years of age. Not only did his parents fail him but so did society.

I am not criticizing the social welfare courts of Quebec. I have a great deal to do with them as a private citizen looking after my constituents, more particularly as an alderman than as a member of the house. I have been filled with admiration for two judges whom I have no hesitation naming, Judge Long and Judge Nicholson. The last time I saw them they were working in cramped quarters; they were overworked, overburdened, overtaxed. They bear a heavy burden day in and day out because of problems such as this.

I say to the members of the legal profession in this house that there is something wrong when this sort of situation exists. There has to be a better way of dealing with a juvenile of 10, 12 or 13. Perhaps I have no

right to raise this question or challenge the authorities to find an answer because I do not have any answer. I do not even know where to start. My contact with this segment of society is limited, unlike the contact of members of the legal profession.

I leave this matter with the ministers responsible as food for thought. It is time we developed a more acute conscience and stopped paying lip service to the problem by saying, "Let the schoolteachers rectify the situation" or "What do you expect? This boy comes from a broken home." The answer is not in building more penitentiaries, making them bigger, more spacious and mollycoddling a person aged 25 or 30 who is sent to penitentiary. The problem begins when a little boy of 10 is picked up for stealing a package of gum or because he showed his resentment of school by breaking into it, not breaking out of it.

I come back to the words of the hon. member for Kamloops who pointed out, I think quite reasonably and accurately, that whether we have one Minister of Justice or the jurisdiction is split into two or three fields the government and the ministers concerned must make certain that one hand knows what the other is doing. The hon. member stressed the point that the advisers of the department must know what the R.C.M.P. reports are all about. I will not read the passage at length. Hon. members can find the words at page 1725 of *Hansard*. I believe I have properly paraphrased the words used by the hon. member or he would have corrected me.

• (12:50 p.m.)

This brings me back to the Banks affair, to which the hon. member for Bow River likes to refer when he is running out of material of a more serious nature. As reported at page 11406 of *Hansard* for last year the then hon. member for Carleton, Mr. Francis, asked a series of questions about Hal Banks. There were eight questions in all. These eight questions established the fact that the insidious problem of the bully, Hal Banks, was apparent to the Department of Justice as early as 1958.

Mr. Woolliams: Would the hon. member permit one question?

Mr. Mackasey: I will at the end. Unlike the hon. member for Bow River, to whom words come easily, I want to continue my main thought, but I will be sitting down in a moment.

Mr. Woolliams: All right; I will ask my question at the end.

Mr. Mackasey: The point I tried to make earlier was that there is a distinction between having suspicions against a man and charging a man. The department must feel certain they can convict him, even though everyone in Canada knows that the man is morally irresponsible and morally guilty, before they charge him. I imagine there would be a distinction in the mind of the layman between being morally guilty and being suspected guilty, if my English explains my thought properly.

From listening to the hon. member for Kamloops yesterday I would say, though I am only guessing, that when he discussed the R.C.M.P. reports on Hal Banks between 1958 and 1962 he did so, as he said yesterday—I am not contradicting his words—with the senior officers of his department and came to the conclusion that no matter how advisable and wonderful it would be to bring Mr. Banks to justice and to prosecute him on the evidence then available, nevertheless in his opinion and in the opinion of the law officers of the land there was not sufficient evidence to do so.

I applaud the then Minister of Justice, the hon. member for Kamloops, for not bowing to public opinion and bringing Hal Banks before the courts of the land when in his opinion and in view of the advice which he sought and received there was not sufficient evidence to convict this man. That requires courage.

Mr. Fulton: That is why we appointed the royal commission.

Mr. Mackasey: I agree, and I am coming to that. That was in 1963, two months after we were elected.

Mr. Woolliams: No; it was appointed under the Conservatives.

The Deputy Chairman: Order, please.

Mr. Mackasey: It is not—

The Deputy Chairman: Would the hon. member mind resuming his seat. The hon. member has 30 minutes allotted to him to make his speech. He has asked to finish his speech and if there is time at the end questions may be asked. The hon. member for Verdun has the floor.

Mr. Woolliams: Then let him set out the facts properly.

Mr. Mackasey: As usual the hon. member for Bow River has to have the last word and

I concede it to him. We are all friends here. If he wants me to criticize the speech he made yesterday I can do so effectively but it was not an important enough speech for me to devote my time to it. I am more interested in the remarks made by the hon. member for Kamloops.

What I am trying to say is that it takes courage not to bow to political expediency. If it took four years for the Conservative government to set up a royal commission to investigate the affairs of Hal Banks, knowing the reputation of the then minister of justice I am sure there would have been no hesitation on his part in 1958, 1959, 1960 or 1961 to bring Hal Banks to justice if in his opinion there had been sufficient evidence upon which to do so. I am sure he felt in his own mind that morally the man was guilty of something but that to prove it was another matter. Therefore I commend his restraint in those days.

I think that is borne out by anyone who refers to the answers to the questions posed by the then member for Carleton. I do not want to take too much time on this matter but the first question he asked, as reported at page 11406 of *Hansard* for February 17, 1965, was:

Did the Department of Justice, in 1958, through the R.C.M.P., conduct an investigation to determine if Hal Banks had been employing intimidation and violence in the furtherance of union activities?

The answer was:

Yes. In November, 1958, the Minister of Justice instructed the R.C.M.P. to conduct an exploratory investigation—

and so on and so forth.

The second question was:

Did the government on February 23, 1959, as a result of the aforementioned investigation, receive a full account of the conspiracy which resulted in the Walsh beatings?

The answer was:

The R.C.M.P. advise that on February 23, 1959, they forwarded a preliminary report to the Minister of Justice, under secret cover, outlining the findings of their investigation into the activities of Hal Banks, which included an account of the conspiracy to beat Captain Walsh.

The third question was:

Was any action taken by the government of that day to bring Banks to trial as a result of that evidence?

The simple answer was "No".

I come to another question:

Was another report, which included a further account of the Walsh conspiracy, sent on June 14, 1961, to the government by the Department of Justice?

[Mr. Mackasey.]

The answer was:

The R.C.M.P. advise that on June 14, 1961, they forwarded a further report to the Minister of Justice, under secret cover, which enlarged on their findings with respect to Hal Banks and the general picture of the S.I.U. activities, including further information with respect to the beating of Captain Walsh.

The rest of the questions go on to lead up to the establishement of the royal commission which investigated the disruption and problems of the waterfront. I find no fault with the fact that it took three or four years to establish the commission or that the minister of justice of that day did not feel the time for action was appropriate. But the hon. member for Bow River has constantly harped on Hal Banks and his relationship with the Liberal party, intimating to those who do not know differently that the Liberal government in some way conspired to keep Hal Banks in Canada.

The hon. member for Bow River will get up and say: "That is not my point at all. My point is, how did he get bail and then get out of the country?"

I say to the hon. member for Bow River that Hal Banks, regardless of who he was and regardless of his record, as an individual was entitled to the full protection of the law, as is Mr. Spencer with regard to whom the hon. member for Bow River made an eloquent and moving address two days ago. According to the judge who presided at the trial, Hal Banks was entitled to bail. I have only to quote once more the words of the hon. member for Bow River, words with which I agree—I agree with him more often than I disagree—in which he emphasized the importance of maintaining the independence of the judicial system in Canada. Yet he averred yesterday that the judge, through some devious means used by our party—the hon. member kept referring to shoving things under the rug—conspired to give this man not only bail but to see that after he got bail he left the country. However, the fact remains that Mr. Banks was entitled to bail. The judge was also entitled to set bail. Hal Banks was entitled to the same rights that Mr. Spencer should enjoy as an ordinary, common citizen of this country.

The hon. member referred yesterday to Dr. Marcoux and also to one of the ministers on the front bench. He might have gone all the way and said the present Minister of Transport. What are the facts? Hon. members want all the facts. They can read the speech made by the hon. member for Lapointe last night. The facts may be embarrassing not to this

party but to the hon. gentleman's party. I thought that this was all part of good old electioneering and I was a little surprised when the hon. member brought the matter up in the house of Commons.

The fact remains that Dr. Marcoux made very serious allegations which should have been investigated.

Mr. Woolliams: Right.

Mr. Mackasey: The hon. member for Bow River, who is an excellent lawyer, says "Right". But he did not take the trouble to tell the house that these allegations were investigated by the present minister of justice for the province of Quebec, Mr. Claude Wagner, who, whether we like him or not, whether we consider him controversial or not, has the courage of his own convictions and does not give a damn—if I may use that expression in this house—whether he embarrasses Dr. Marcoux, his party, the Liberal party or any party for that matter.

When Dr. Marcoux went up and down the province of Quebec making these statements Mr. Wagner called him to his office, provided him with police protection and demanded and obtained a full investigation into the allegations which had been made by Dr. Marcoux. He came to the conclusion that there was no basis for prosecution and no basis for these allegations. You can turn around and tell me that the Minister of Justice for the Province of Quebec is incompetent, that he is dishonest, that his findings were politically inspired, but I do not share that view.

• (1:00 p.m.)

Mr. Woolliams: Mr. Chairman, I rise on a question of privilege. At no time have I referred to the Minister of Justice of the province of Quebec as being incompetent and not knowledgeable. The hon. member is misquoting what I said. I said that no inquiry had been made so far as the federal government and the federal Minister of Justice are concerned. I did not refer to the Minister of Justice of Quebec. I have a great deal of respect for him and at no time have I questioned his ability. The hon. member is putting words into my mouth and alleging things which are not so. He was asked by a certain member of his party to do a hatchet job and that is why he is saying these things.

Mr. Mackasey: Does the hon. member say that I was asked to do that by a certain member of my party?

Mr. Woolliams: I will name him if you like.

Mr. Mackasey: Does the hon. member mean that I was asked to do a hatchet job? Surely, with the talents of the hon. member for Bow River, one of the leading lawyers in the province of Alberta, he should know that I would be the last man to be singled out to do a hatchet job. If the hon. member is not inferring that the Minister of Justice of the province of Quebec is incompetent, why is he now demanding a review? Either he is competent or he is not. If he is competent, that should be the end of the Marcoux case. That is my main point. I think the hon. member will realize that because he is particularly sharp both as a member and as a lawyer. Either the Minister of Justice of that province did his job in investigating the Marcoux case or he did not. If he did, then the members of this house have no right to ask the federal government or parliament to investigate again matters covered by the provincial Minister of Justice.

Some hon. Members: Hear, hear.

Mr. Mackasey: I am not a lawyer. Perhaps I am all wet.

Mr. Woolliams: I will agree with you on that.

Mr. Mackasey: I was referring to the hon. member's speech in *Hansard*. I wish I could find the place now to which I was referring. The hon. member started out by using words to this effect, "One thing we must not do is to interfere with our judges and the administration of justice; they must be above politics". Then in the next breath he intimated that the investigation by the Minister of Justice of the province of Quebec was incomplete. I cannot reconcile those two positions. I may be wrong and perhaps the hon. member for Bow River is right.

Using his best Perry Mason manner the hon. member for Bow River asks, what is the use of pursuing the Rivard case? What are the facts? If the hon. member wishes to review his own words he will find that he intimated there was undue haste in getting Rivard out of the country and beyond the jurisdiction of our courts. Is that not the inference he wishes to be drawn against the Department of Justice of the province of Quebec? Does he not wish the inference to be drawn that the department hastened procedures to get Rivard out of the country for some particular reason? I am sure if I took the trouble I could quote the hon. member for Bow River who criticized this government for delaying extradition proceedings when

Rivard was in jail. Now he is accusing the government for speeding up those proceedings. If I am a little confused it is not only because I might be a little stupid in not understanding this—

Mr. Woolliams: I must agree with you there.

Mr. Mackasey: —but because I might be excused for thinking that there is confusion between two conflicting positions. Perhaps I should conclude because I am afraid I am beginning to use the weapons that the hon. member for Bow River uses. I made a mental note not to do so. I have heard what he has had to say repeated in the past. I have always listened to my hon. friend and have tried to be here whenever I knew he was going to speak. My hon. friend has a stereotyped pattern of speaking. He gets up and says to the minister involved, "I don't want you to think that anything I say is a reflection on you personally. I am criticizing your department. There is nothing personal in this." Then he outlines positions taken by former federal ministers of justice. He does not refer only to the Department of Justice but to former ministers and talks about St. Laurent, Fulton, and Fleming. What else is that if it is not by inference an attack on the personality of the present minister?

The Deputy Chairman: Order, please. I regret that the hon. member for Verdun has exhausted his time for his speech.

Mr. Woolliams: Can he not go on?

The Deputy Chairman: Order, please. Has the hon. member for Verdun unanimous consent to finish his speech?

Some hon. Members: Agreed.

The Deputy Chairman: Agreed.

Mr. Mackasey: Mr. Chairman, I know that other and more eloquent members wish to follow who will contribute a great deal to this debate. However, I know that the hon. member for Bow River wishes to ask a question. Since I have unanimous consent to continue I think it is only fair to devote the time at my disposal to the answering of his question.

Mr. Woolliams: My question is very simple. What I wish to refer to I have heard on many occasions outside this house. It has to do with the question of why Hal Banks was not charged when the Conservative government was in office. I ask the hon. member, is it not a fact that the report of Mr. Justice Norris, the making of which was the reason for the commission, says that witnesses were afraid to come forward to give evidence because of the kind of violence surrounding this whole situation—let me finish—but that because of the nature of the royal commission where witnesses could be examined and cross-examined and because two men had the courage to speak, feeling that they had the necessary protection, the evidence was given which had not been available to the Department of Justice prior to that time? That is why the royal commission was set up. It was set up to obtain evidence so that Banks could be charged.

I ask the hon. member that question and also this one. Why did his government take so long after that report to charge Banks and why were there not terms in the bond of recognizance with respect to his leaving the country?

Mr. Mackasey: You are sure those are all your questions?

Mr. Woolliams: That is right.

Mr. Mackasey: Again, I am simply a layman. It seems inconceivable to me, with the spirit of justice that prevails in Canada, that there was such an intolerable situation between 1958 and 1962—

Mr. Woolliams: Read the Norris report.

Mr. Mackasey: You have asked a question. I have read the Norris report and I am trying to answer if you will let me. It seems inconceivable to me that between the years 1958 and 1962, when the Progressive Conservative party was in power and the hon. member for Kamloops was minister of justice, that there should have been any single Canadian who was afraid to appear before the courts of Canada to give evidence. This is an intolerable situation and this is just what you have with respect to the matter—

Mr. Starr: I wonder whether the hon. member would permit me to say something?

The Deputy Chairman: Order, please. The hon. member for Verdun has the floor to answer a question put by the hon. member for Bow River.

Mr. Mackasey: The hon. member for Bow River said that between the years 1958 and 1962 there were citizens of Canada who were afraid to exert their civil liberties and privileges and to testify in the courts of the land.

Mr. Woolliams: Certainly they were afraid.

Mr. Mackasey: We all know why they were afraid. They were afraid of being beaten up. Is it not the function of the Department of

Justice to provide protection? By the hon. member's own words he admits that the Department of Justice did not provide protection between 1958 and 1962. People who were afraid then found the courage to appear before the commission after 1962 when we were in power. I am not going to insult anybody in this house by saying that since we have come to power everybody is free, because speaking as an individual I suggest that the Spencer case raises the question in my mind whether the rights of Canadian individuals are properly protected. Did not the hon. member for Bow River inquire whether the only reason that no action was taken against Hal Banks was that people were afraid to come forward and testify? If that is true, it is an indictment against the party in power at the time which could not provide protection to average Canadians who would have been willing to testify provided they would not be subjected to physical violence.

I would also say this in answer to my hon. friend's question. I feel more inclined to thing, after listening last night to the hon. member for Kamloops, that the reason Hal Banks was not brought to trial between 1958 and 1962 was the opinion of the Minister of Justice at that time, based on the co-operation which he believes is now non-existent between the Royal Canadian Mounted Police and senior officers of the department, that regardless of whether Mr. Banks was guilty there was not sufficient evidence available to warrant his being brought to trial.

• (1:10 p.m.)

I agree with this. I think these are the true facts and I believe the hon. member for Kamloops is to be commended for not bowing to political expediency. It would have been the popular political thing to do. The hon. member for Bow River yielded to this temptation yesterday when he resurrected the Dorion brawl, the Rivard brawl, the Hal Banks brawl. He even sought to resurrect the old joke about watering the rink at Bordeaux jail. I thought the hon. member was more capable than that.

When the hon. member for Bow River seeks constantly to resurrect these things it is he who is following a course of political expediency, not the hon. member for Kamloops. It is difficult in matters like the Hal Banks case to remain objective. Nevertheless we must seek to do so. I appreciate the opportunity which the hon. member for Bow River has given me by his question to speak **beyond the time allotted to me.**

Mr. Fulton: Mr. Chairman, I think I should say a word or two very briefly to clarify the situation which has just been the subject of discussion. I do not intend to take time which would otherwise be available for other hon. members to take part in these proceedings. Hon. members will realize that I have not had an opportunity to go back to my notes—

The Deputy Chairman: Is the hon. member rising to put a question or to address the committee?

Mr. Fulton: I am asking for the right to address the committee in order to clarify the situation to which reference was made by the hon. member for Verdun. I wish to make a brief explanation, a statement of clarification.

Mr. Woolliams: Give him a chance. You want this to be a closed issue.

The Deputy Chairman: Order. I was under the impression that the hon. member for Kamloops was rising to put a question to the hon. member for Verdun. I recognize the hon. member for York South.

Mr. Lewis: Mr. Chairman, may I say that if the hon. member for Kamloops defines the word "brief" as the hon. member for Verdun defined it I will certainly be happy to be recognized. But if the hon. member for Kamloops is using the word "brief" in its literal sense I would be pleased, if it would meet with the approval of the Chair, to let him take two minutes for any explanation he may wish to make.

The Deputy Chairman: Order, please. Is it agreed by the committee that we should now recognize the hon. member for Kamloops?

Some hon. Members: Agreed.

Mr. Leboe: On point of order, Mr. Chairman, I believe the committee would have no objection to allowing the hon. member for Kamloops to reply immediately so that when the discussion is read in *Hansard* it will be uninterrupted by references to other subjects and will make sense. The hon. member intends to speak very briefly and in the circumstances I believe the committee would certainly allow him to do so.

Mr. Lewis: That is why I was prepared to yield.

The Deputy Chairman: Is it agreed that the hon. member for Kamloops should make his remarks at this time?

An hon. Member: No.

Mr. Aiken: A point of order has been raised. I think it has been traditional in this house and is even a requirement that a member who wishes to set the record straight must do so at the first opportunity and that the making of such an explanation does not interfere with the order of speakers. I know the hon. member for Kamloops does not insist on his right but it has always been considered a requisite when explanations are to be made.

The Deputy Chairman: I thank hon. members for enlightening me on this subject but it is the intention of the Chair to recognize the hon. member for York South.

Mr. Lewis: If the hon. member from Kamloops does not rise I will. I do not intend to follow the hon. member for Verdun who said he was not a lawyer and was therefore, "all wet". He is not. The hon. member also said in a moment of embarrassing modesty that he was "a little stupid". He is obviously not that. I must say I admire the hard and losing struggle he waged trying to be non-political.

I rise to deal fairly briefly with one matter, namely, the Spencer case. I rise because in my respectful submission the Prime Minister of this country made on Wednesday a statement which was not only astonishing but outrageous in its expression of disregard for basic principles of justice and civil liberty. I rise also because of a personal experience in connection with a client some years ago to which I wish to refer.

What the Prime Minister said in effect was that he had studied this case, looked into it, discussed it with his ministerial colleagues, given many hours to its consideration, and was therefore in a position to assure the house that Mr. Spencer was treated fairly. In fact, the Prime Minister says he was treated with scrupulous fairness.

What the Prime Minister is saying to the house and to the country is that when he, the Prime Minister, looks into a decision and decides it was a fair one that closes the matter. He arrogated to himself on Wednesday the attitude and the power of an unrivalled autocrat. He showed qualities of presumption and arrogance which make me sad as a Canadian, for no one person, no matter how high his estate in the country, has the right to say: I am the one, and when I tell you I have investigated a decision and it is just, you are to accept that it is just.

I have never in all my years of studying political science heard or read a statement so outrageous and so derisive of respect for civil liberties. In the area of civil liberties no one person can arrogate such powers to himself. I say, without apologizing for dragging it in, that one could be inclined to pay more attention to the assurances of the right hon. gentleman if one had not had experience of his bad judgment in previous affairs of this sort, experiences with the Liberal party in its behaviour toward the Japanese during the war and its behaviour in the Gouzenko investigation. If we had not had these experiences and the example disclosed yesterday of the unrivalled, unlimited and shabbiest use of pork barrel politics in appointments to the other place, we would be inclined to pay a little more attention to the statements of the right hon. gentleman.

Lest anyone misunderstand me let me say this: I assure the house that the other place is welcome to Mr. Hazen Argue, that discredited politician and anachronistic appendage of Parliament, as far as I am concerned. I would merely draw attention to the fact that we have made progress in our civilization. The thirty pieces of silver have now become half a million dollars, which is what Mr. Argue has been paid for being what he was.

The Chairman: Order. I would suggest to to the hon. member for York South that the remarks he is now making are entirely out of order.

• (1:20 p.m.)

Mr. Lewis: May I proceed to deal with the subject of the Prime Minister's speech? First I want to analyse the reasons he gives for stating that we must accept his conclusion as being right. At page 1682 of *Hansard* for February 23 the Prime Minister stated:

> I should like to put before the committee very briefly the considerations which led me to this conclusion—

To the conclusion that an inquiry is not necessary. Then he gave three reasons. I have never, Mr. Chairman, in appearances before judges, before boards—indeed my memory goes back to my high school days and undergraduate days in university—heard more obviously invalid reasons in support of any conclusion. His first reason is:

> —Mr. Spencer himself has admitted, voluntarily admitted, improper activities—

Who knows that? How does the Prime Minister know it? Was he there? Did he hear the voluntary admission? To whom was that voluntary admission made? By what reason does the Prime Minister think that the members of the committee should accept that statement? Is it merely because he makes it?

He makes the statement obviously without any personal knowledge whatever, accepting some note given to him no doubt by some underling of the Minister of Justice. A more outrageous suggestion as a reason for accepting his conclusion is hardly imaginable.

Mr. Nielsen: It is not true.

Mr. Lewis: An hon. member says it is not true. I have not the faintest notion whether or not it is true but I do know that no responsible leader of this country should make such a statement when he was not present at the time the conversation took place and offer that statement as an excuse for parliament to accept his conclusion. Having made one spurious suggestion he goes on to another:

> In the second place it was Mr. Spencer himself who disclosed his identity—

Mr. Nielsen: That is not true.

Mr. Lewis: My leader, the hon. member for Burnaby-Coquitlam, the other day punctured that unctuous inaccuracy, Mr. Chairman, and I choose my words carefully. Obviously the man was branded. He was fired. What more active part does the right hon. gentleman want to play in identifying Mr. Spencer? Does he want to make a trip to Vancouver and point him out to the R.C.M.P.? Is that the only way in which his government becomes involved? It is a gross misreading of the facts to make that statement. To cap it all, to cap this entire structure of disregard for the most elementary procedures of decent and civilized justice, the right hon. Prime Minister said:

> —before a final decision was taken to dismiss Mr. Spencer he was given a hearing—

Just listen to the use of that word "hearing".

> —by a senior official of the Civil Service Commission, at which he had every opportunity to state his case.

I challenge any hon. member, I challenge the Minister of Justice, I challenge the Solicitor General to give the committee another case of sheer, utter nonsense that compares with this statement in terms of any decent, legal inquiry. Some member of the Civil Service Commission met with Mr. Spencer, had some conversations with him and the right hon. gentleman calls that a hearing. What an outrageous use of words.

If the right hon. gentleman did not mean to mislead the committee, because he knew perfectly well hon. members could not be misled, in my respectful submission he could only have meant to mislead the people of Canada by using this kind of language to describe that kind of conversation between an official and Mr. Spencer.

Finally, having given these completely invalid, unacceptable explanations for his conclusion, the right hon. gentleman then misrepresented the request that was made of him. May I interject to say that in all my political activity I have always taken the position in speeches outside this country that, whatever party I belong to, the Prime Minister of this country is the leader of this country. It therefore hurts me beyond words to find the leader of this country behaving in the shabby way that the Prime Minister has done in the case of Mr. Spencer. I say "shabby" because after giving us these spurious reasons for rejecting it he misrepresents the request that was made of him.

At the bottom of the right hand column on page 1682 the Prime Minister said:

> If these procedures could not be used in this way in appropriate circumstances, or if all the details arising out of them must be made public, and names made public, then the protection of our national security against subversive action would be greatly prejudiced if not made impossible.

An hon. Member: Right.

Mr. Lewis: This is right if it were true, but no one asked the right hon. gentleman for a public inquiry. The request of the hon. member for Burnaby-Coquitlam and of the Leader of the Opposition was for an inquiry by a third party, if necessary in camera. No one requested that this inquiry be open to the public and the press. The request made of the government was for a hearing, as it were, before a third person, before a competent tribunal and in camera if necessary. No one is interested in hearing names as was suggested by the right hon. gentleman.

This brings me to an actual example I want to place before the committee. In my professional capacity as counsel for labour unions I happened to be involved in such a matter some years ago. I shall deliberately leave out names and make my references a little vague so that the person involved cannot be identified. An employee of one of the federal crown corporations in right of Canada was refused something to which he was entitled under the collective agreement on the express ground of security. We took the matter to arbitration under the collective agreement.

We could not get anywhere in arbitration because the lawyers for the crown corporation involved refused to give us any reasons.

They said, "Security reasons make it impossible for us to tell you why this person did not get what, under the collective agreement, he was entitled to."

With the assistance of the chairman of the board of arbitration we then saw the then minister of justice, the hon. member for Kamloops. He did, and I give him credit for doing so, precisely what we have not been able to persuade the government to do now. We persuaded him to appoint a royal commission to inquire into the facts of that case in camera.

The person appointed royal commissioner was the dean of law at the University of British Columbia. The accusers of my client—I will call him that—were not there when we were there nor were we there when they were there, but this entirely independent person who had no axe to grind, who could not be motivated by a desire to protect any underling who had gone wrong or to cover up anything else, who could be accepted as completely independent and disinterested, heard the other side and then, when I appeared with the employee, gave me information as to the facts he had received which in his view could be released to me.

He did not give me facts, if he had any—I do not know whether or not he had—which in his judgment it would not have been wise to give me from the point of view of Canada's security. However, my client felt he had a thoroughly good hearing because the commissioner gave him every chance to explain every question that was raised.

The result of that inquiry—I emphasize this and I ask the Minister of Justice and the Solicitor General to note it—was that the person involved was cleared by the dean of law of the University of British Columbia and compensated for his loss.

• (1:30 p.m.)

At that time the Royal Canadian Mounted Police and officers of the Department of Justice had reached the conclusion that the man was guilty. It was only this independent inquiry which removed that guilt. I ask, Mr. Chairman, what possible harm to the security of Canada could conceivably occur if the dean of the University of British Columbia or a member of the judiciary of Canada were given the information which the minister has, heard this information in camera, listened to Mr. Spencer and his counsel in camera, and then told the members of this house and people of Canada what his conclusions were. If that were done by a third, disinterested person, as the hon. member for Burnaby-Coquitlam, I am pretty sure, said on Wednesday, and we were told that Mr. Spencer was properly dismissed, then so far as we are concerned that would be the end of the matter.

I again appeal to the minister and the Solicitor General and through them to the right hon. Prime Minister to institute such an inquiry, because in civil liberties even more than anywhere else the appearance of justice and the fact of justice must coincide.

I should like to say, Mr. Chairman, it seems to me the most unfair part of the treatment of Mr. Spencer, so far as I have been able to see, is the fact that he has been deprived of his pension. His age, I understand, is 57. He has been dismissed from his job and his pension is taken from him.

As the hon. member for Burnaby-Coquitlam quite properly has said, the government is imposing a fine on this man without a trial. This should be looked into. In other words, I am suggesting there be an independent inquiry both in respect of whether or not this man is guilty, and second, in respect of whether or not even if he is, it is fair and just to deprive him of his pension. Dismissal is surely punishment enough and there is no need to add to that punishment by depriving him of what he has earned as he worked. I do not know the gentleman, but this action well may leave him in terrible penury.

I do not like to be sentimental about these things but I do remind hon. members, Mr. Chairman, if they need reminding—and I am sure they do not—that ever since the rights of individuals have been recognized by our society we have learned time and time again that the easiest thing in the world is to neglect those rights and to neglect them in unctuous self-righteousness. It is precisely those people who beat their breasts and say I have considered everything, I have looked at every angle, I have studied each word, I have gone into every detail and this is my conclusion—it is precisely those who make this kind of assertion who most easily ignore or innocently overlook the rights of people into whose lives they have so carefully looked.

We have also learned over the centuries that when civil liberties have been recognized in democratic countries the only way to make sure they are not eroded is to take a stand every time they are attacked. I submit that it is the high duty of the government and of the

Prime Minister to make sure that they do not leave even a possibility of suspicion that injustice and unfairness have ruled in the Spencer case. I appeal, despite the decision the Prime Minister has announced, that he and his ministerial colleagues reconsider and accept the suggestion that a third person be appointed to make an in camera inquiry into this whole case.

[*Translation*]

Mr. Latulippe: Mr. Chairman, I would like to make a few remarks about fraudulent bankruptcies in Canada and in the province of Quebec in particular.

In 1962, I asked the Minister of Justice to make an investigation in that regard, but he did not do anything. I asked the same thing again in 1963 without any results. Bankruptcies kept on happening. The situation has not improved in the province of Quebec. It is a terrible disaster, especially with regard to the province of Quebec.

It is a very good year for those experts in fraudulent bankruptcies. Mr. Chairman, we must put a stop to the exploitation carried on by those crooks in the business world. The Minister of Justice must do something, because the situation is serious.

Several murders have been committed in the last five or six years; people have disappeared from the surface of the earth without leaving any trace. Several were shot to death by notorious bandits. The Department of Justice has got to do something.

Reference was made to the Spencer case. In my opinion, the case of the fraudulent bankruptcies is ten times worse and yet the Department of Justice has still not done anything in this matter.

The fraudulent bankruptcy racket is so widespread, so complex in its organization and so fantastically far-reaching in our part of the country that it could plunge all local business into the most complete anarchy. The damage caused by those bankruptcies has been tremendous, because when you are confronted by those gangsters you feel insignificant, quite small and lost. Many citizens, lawyers and legal practitioners do not even want to have anything to do with those fraudulent bankruptcies because they fear for their lives.

Business is overrun to an outrageous extent by these crooks who rob us, ruin us, push us around and crush us. The fellow who purchases goods for next to nothing in these illegal bankruptcies makes enormous profits because he can sell the goods at ridiculously low prices that defy competition. No store, no industry can compete against fraudulent bankruptcies.

The gang of crooks we think we know, Mr. Chairman, includes some respected and wealthy businessmen as well as professional crooks. They have found in this racket a unique opportunity to rob with maximum safety and respectability, because today fraudulent bankruptcies have become so perfect, so easy, I dare say even so legal, that one can emerge with barely a scratch.

Go out and see if you can find many fraudulent bankruptcy swindlers in prison; yet there are many in Canada. In my estimation, the bankruptcy racket is probably the safest and the most lucrative business at the present time.

They are definitely a gang of professionals familiar with every swindling trick. Most of them have a police record, and those who have not are no less dangerous; they may even be more dangerous because the police is not keeping as close a check on them as on the others and, consequently, they are more vulnerable.

They are wealthy; they own stores chocked full of goods from fraudulent bankruptcies. And their credit standing is good with all business and financial firms. They are shrewd; they belong to businessmen's organizations; they know a lot of people and have friends everywhere, even in clubs, hotels, credit offices, finance companies and banks.

They also have friends in the police force. They have legal advisers; they live in princely fashion in stylish apartments.

An hon. Member: That is true.

Mr. Latulippe: Businesses in a fix become the prey of those wise guys. They take advantage of it to make propositions to them. With their consent, they purchase those businesses and make them paying concerns within a few days. They deposit money in the bank, they pay cash for a certain time. Those people resort to every means to gain the confidence of manufacturers and suppliers.

Once the business has regained its good standing, they buy any type of merchandise and make it disappear at once. They build warehouses which burn down in a short time, and you can be sure, Mr. Chairman, that insurance companies have to pay tremendous amounts in insurance.

These people resort to all sorts of schemes. Their criminal minds make use of every imaginable means to fatten their fortunes.

I suppose the minister is beginning to realize that the Bankruptcy Act is a federal, not a provincial act. It is not up to the provincial government to amend the Bankruptcy Act.

Does the present act allow a person to go into bankruptcy? It does, because under the present system, it is impossible for quite a number for businessmen to avoid bankruptcy.

The system under which we are operating is financial nonsense. Those who benefit under the present system do so at the expense of others.

Our financial system, Mr. Chairman, is basically wrong. I ask the Minister of Justice to do all that is humanly possible to improve our economy and to prevent the series of fraudulent bankruptcies. Mr. Chairman, fraudulent bankruptcies lead to many others. This has created a disturbing situation in the province of Quebec and even in the whole country. I am speaking of the province of Quebec because I know of several of these bankruptcies and frauds there. I also know about some losses and all sorts of goings on. Those are terrible things, Mr. Chairman.

Therefore, I ask the honourable minister of Justice to punish those citizens as others have been punished. I know people who were sentenced to six months and even a year in jail for stealing $5 or $10. On the other hand, there are people who stole millions of dollars and were sentenced only to two or six months in jail. A person who steals but a small amount is punished much more severely than if he had stolen millions of dollars.

So, Mr. Chairman, because of this deplorable situation, I ask the Minister of Justice or his department to make the Bankruptcy Act inoperative. I ask him to close the door to all bankruptcies at this time, because there is no legislation, there are no rules to protect our citizens adequately, even from the standpoint of finance and human life.

Mr. Chairman, I ask the Minister of Justice to padlock the Bankruptcy Act. I ask him to take this Act under his jurisdiction immediately, in order to take over all bankruptcies, fraudulent or otherwise, existing in Canada at the present time.

What the Minister of Justice must do is to actually give justice. We want justice in this matter. In the past three years, the federal government has done nothing in this regard. It is up to the federal government to intervene in those cases of fraudulent bankruptcies. We must put an end to those things and the best way to do it is to make things secure by means of the padlock law, which has been used in many other circumstances. Let us use it with respect to the Bankruptcy Act and put some order in the economy of Canada and its provinces.

Let us give justice to families who have suffered from those murders. In the past five or six years, the criminals, the notorious bandits in question, have committed several murders for which we are indirectly responsible. It is time to settle this situation and I ask the Minister of Justice to restore some order in this field.

• (1:40 p.m.)

[*English*]

Mr. Aiken: Mr. Chairman, I should like to take a few minutes this afternoon to make some comments regarding the report of the justice committee on juvenile delinquency in Canada. This is a very important matter and up to this time an opportunity has not arisen for comment in connection with the recently released report of that committee. I intend to indicate how I believe the house and the department should act on this report and I hope the result will be speedy action.

It seems to me from reading the report, which is very lengthy and detailed running almost to 400 pages, that the committee has done a thorough and painstaking job regarding the methods of dealing with juvenile delinquency. Many of their suggestions are logical and could be put into effect quickly.

The report dealt particularly with methods of dealing with delinquency, which I believe that was the basic task of the committee. Certainly that is the major item covered by the committee's report. The committee did not attempt to deal with another aspect of delinquency relating to prevention and control, though it did make some suggestions as to what could be done along these lines.

I should like to mention some of the recommendations made by the committee as examples of the things that could be put into effect quickly without much difficulty to the department. The first is the suggestion that we set a minimum age of responsibility for juveniles at 10 or 12 years. This seems to be a logical and well-founded suggestion based on the evidence received by the committee. The committee recommends the establishment of a standard maximum age beyond which an individual is no longer considered a juvenile. The age suggested by the committee is 17, to be recognized across Canada. This also seems

to be a logical and reasonable conclusion reached as a result of the committee's inquiries.

We now have an unfortunate situation because in some provinces people are considered to be juveniles at 16 and in others the age is 18. This recommendation should cause very little difficulty. There are other recommendations such as permitting news media to attend juvenile court hearings. I think this is a good suggestion. The committee deals with the mechanics of the Juvenile Delinquents Act and the method of dealing with juveniles themselves. The basic idea behind granting permission for news media to attend juvenile court hearings seems to be as much a case of providing a check on the juvenile court judges and the courts themselves as anything else. I think it is a very good idea.

• (1:50 p.m.)

The field of juvenile delinquency is one in which very few are expert and these judges are appointed from all walks of life. Various courts are conducted in very different ways. I believe that while privacy of hearing is good for the child to the extent that no publicity ought to be given thereto, it can be very bad when judges use their own procedures and methods of dealing with people who are not represented by counsel and in many cases have not been formally charged. Therefore I believe that the recommendation that news media, including television and radio, be present at juvenile court hearings is a good one so long as the names of juveniles are withheld.

Another recommendation which could easily be adopted is that with regard to changes in nomenclature. The committee suggests changes in the words "delinquency" and "juvenile delinquents" and prefers the description "young offenders". I do not know that it matters a great deal and I am not too impressed with the conclusion in this regard, but if this is a general feeling there is certainly no objection to it.

There are a number of other recommendations such as requiring the presence of a juvenile's parents at a hearing. This is a good suggestion. I believe that in many cases parents who do not take the trouble to go to court when their children have been charged are themselves blameworthy and the judge should have the opportunity of dealing with them directly by discussion at the trial.

I think the recommendation to limit very severely the right of juvenile courts to commit children to a training school is a good one, because in many cases it is too easy merely to get the child out of the way by sending him to a training school when you cannot think of any other solution. I believe the same situation exists in the adult courts and many people engaged in penology are now satisfied that too many people are committed and too little benefit comes from it.

The committee also investigated thoroughly the procedures which have grown up in the juvenile courts and I think they came to proper conclusions with regard to many of them. While the procedure in juvenile courts is of a very informal nature, judges are sometimes inclined to deal with the children who appear before them informally as well. By that I mean they often are inclined to assume children to be guilty until they prove themselves innocent.

Many of the suggestions the committee made were for the protection of the child in the juvenile court, making sure he is properly advised and represented, that any statements made are properly brought into evidence and that, while the penalty may not be too severe, before any conviction or finding of guilt is made it must be made on evidence. I think these suggestions are all valid.

There are some suggestions, however, that require more consideration. I should like to detail some of them and I think they should be considered by a committee and brought into effect as quickly as possible. The first recommendation that in my opinion causes some difficulty is the use of juvenile court records in adult courts and outside the courts. I believe the committee dealt with the question too loosely. It is my view that juvenlie court records should not be released to anyone except on the order of a judge who has already convicted a person in adult court. That is a matter of opinion but I believe it deserves consideration.

The committee suggested that a youth examiner system be investigated. They did not come to any conclusion in this respect. This system is in use in Israel and under it, instead of bringing young people into court as witnesses and in some cases even as defendants, a third person is entitled to discuss with the child the evidence he wishes to give and then give the evidence for the child. I believe this is an excellent suggestion and should be investigated. It has often been said that children are caused more harm than good in the courts, especially if they are very young and

are submitted to examination and cross-examination at an early age when they cannot form firm opinions on the various subjects put to them.

There is another matter that a committee of the house or some other body might inquire into. This concerns taking basically welfare matters completely out of the Juvenile Delinquents Act and dealing with them under provincial legislation. I understand that discussions are even now under way with provincial authorities in regard to this matter. The problem of delinquency as related to crime and the federal government's responsibility in criminal matters was in question in early years. It was felt when the Juvenile Delinquents Act was introduced that if a child was not to be classed as a criminal perhaps he should be dealt with under provincial welfare legislation. However, it was confirmed in the courts that the Juvenile Delinquents Act is a valid federal statute relating to federal responsibility for criminal matters and it has been dealt with on that basis.

I think the committee has wisely suggested that the time has come when the fringe elements which have been drawn into the Juvenile Delinquents Act and the juvenile courts ought to be removed. These are elements in which only the question of welfare is involved and not the commission of an offence. This is also a good recommendation and deserves consideration.

• (2:00 p.m.)

I should now like to make some criticism of the report because, while it deals fully with the matter of handling juvenile delinquents, it has left virtually untouched a large field of problems concerning the prevention and control of juvenile delinquency. I do not say this in criticism of the committee because I do not believe it was set up to conduct an investigation into social welfare matters. The committee was made up of persons who basically were concerned with the methods rather than the social aspects of juvenile delinquency, and it recognized this in its report.

First, the committee found that statistics are not complete enough in order to come to conclusions on many of the social problems that are involved in juvenile delinquency and for that reason they were not able to come to such conclusions. Second, their second last recommendation suggested that demonstration projects under various aspects of delinquency prevention and control should be undertaken. I think that this was probably the most important recommendation of the whole report because, while methods of dealing with juveniles can be changed, approaches altered and courts made more formal or less formal, these changes do not purport to deal with the cause and effect of delinquency and its prevention and control. Therefore, I believe this aspect requires a good deal more consideration than that given by the committee.

I suggest that some excellent work is being done in Ottawa and in many other cities in Canada in the social and welfare aspects of juvenile delinquency. But much more work of a pilot project nature is still required. For example, we find that while delinquency can be examined and dealt with in court and delinquents sent to training schools, in many cases the delinquents of today are the adult criminals of tomorrow. The success of the juvenile courts in dealing with young people foreshadows what will happen in the adult courts.

In the result, I should like to suggest that the reasonable and logical recommendations of the committee should be put into effect as quickly as possible; I think there is no problem there. The recommendations which require further study should be given that study and then implemented as quickly as possible.

The money required for pilot projects in delinquency prevention and control should be provided. I think we would all agree that criminal instincts or tendencies develop in a person's early years. Our penitentiaries are full of people who might have been valuable members of society had they been properly dealt with when they were young.

The cost of the penitentiaries branch and its administration is tremendous, as we can see from the estimates. The costs of administration of justice which are costs of the provinces are very great. We lose all across the line when a person becomes first a delinquent and subsequently a criminal. Society loses both financially and from a manpower and social point of view.

The starting place, Mr. Chairman, for criminals in this country, except those criminals we import, is at the juvenile age. We have to start with these young people, and I think that the report of this committee provides a good foundation for this.

In conclusion, Mr. Chairman, I should like to urge that, regardless of the method by which the recommendations of the committee are dealt with, recommendation No. 99 concerning the immediate establishment of pilot

projects in co-operation with the provincial authorities should be undertaken. Pilot projects are fairly easy to undertake, because they can be undertaken in a municipality or an area where real work is required and the results can be seen. Yesterday we saw that in the United States the administration is going to deal with the problem of water pollution by cleaning one river from source to mouth in one complete project. In that way they can eliminate everything which causes water pollution.

I should like to see this same approach to the problem of delinquency. I should like to see money put into certain areas to enable a complete job to be done which will also provide the foundation for similar work in other municipalities and areas of the country. I think that this recommendation is the most important one. The money used in implementing it will be well spent. It is only a drop in the bucket compared with what we spend in trying to apprehend, convict and incarcerate criminals in their later years. We have delayed too long.

The recommendations of the committee are not alarming. They find that the problem of juvenile gangs is not a serious one in Canada. They find that the main problem is damage to property, not damage to persons. They find that across the country many of the juveniles who are brought into court never return and that it is only the hard core cases which come back to the adult courts. For this reason I think we should make an immediate start to deal with our juvenile delinquents, and the best way to start is by employing the system of pilot projects recommended by the committee. I hope the government will give immediate consideration to setting up a pilot project or projects along this line and will either refer the remainder of the recommendations in the report to a parliamentary committee or take action on them in those fundamentals about which there is no disagreement.

• (2:10 p.m.)

Mr. Cowan: Mr. Chairman, in rising to take part in the discussion of these estimates, although I acknowledge that the Prime Minister himself remarked in his statement regarding the Spencer case that we could participate in a debate afterwards, I must emphasize that I rise in defence of civil liberties in this Canada of ours.

I have not been brought to my present convictions on the injustice that has been meted out to Mr. Victor Spencer in Vancouver during the past several months by speeches which have been made in this House of Commons during the past few days. I have had this conviction ever since the month of November when I was advised that the Department of Justice had acted as judge, jury and executioner in the case without a hearing—when I say "hearing" I mean hearing; I do not mean a conversation with a senior official of the Civil Service Commission —without a hearing at which he could face his accuser, a hearing at which he could retain counsel on his own behalf.

I submit when the rights of one man, of one Canadian citizen are trampled upon in this country, the rights of all are trampled upon. I will not sit idly by and watch it being done.

I have to say with a heavy heart that I heard the hon. member for Compton-Frontenac state that the question of bankruptcies in the business world of Canada was ten times more important than the Spencer case. It makes me sad to think that there are members of the Canadian House of Commons who would place material gain before the individual free rights of native born and naturalized Canadian citizens.

In presenting his statement on Wednesday, February 23, the Prime Minister made this comment, as found on page 1681 of *Hansard*:

> I know that the issues involved are important and I know that they have aroused very real uneasiness in the minds of hon. members.

I was very, very pleased to have the Prime Minister make this statement. He knows that it has aroused very real uneasiness in the minds of hon. members and I am one of those in whom very real uneasiness has been aroused.

On Wednesday night last we all had the opportunity of hearing the President of the United States in his 40 minute address discuss the problem of Viet Nam. It was a masterful presentation of the facts from his point of view. You may remember that during the course of his remarks he made an allusion to Macaulay who, when writing about Southey's "Colloquies", said "Men are never so likely to settle a question rightly as when they discuss it freely".

I should like to take part in a free discussion of the Spencer matter at this time.

Macaulay wrote and I repeat, "Men are never so likely to settle a question rightly as when they discuss it freely", and discussing it

freely does not consist of having a senior official of the Civil Service Commission journey out to Vancouver and speak to a junior civil servant with regard to some accusations which were levelled against him by people who did not give him an opportunity to meet his accusers in the courts of the land.

I was first elected to this house in June of 1962. After ten months in opposition, following the 1963 election the Liberals took over the government seats. As I have listened to the inquiries being made of the cabinet whether or not a judicial inquiry had been authorized into this Spencer affair, as we have been calling it since November when the man was first identified by name, I began to wonder if this was not where I came in, in 1962. Everything seemed to be such a repetition of the answers that were given to the opposition in November of 1964 with regard to the Rivard affair, which was later investigated by Chief Justice Dorion of the Quebec Superior Court.

Over the past few weeks I have been reading all the *Hansard* transcripts of the discussions in this house dealing with the question of whether there should be an investigation into the 1964 allegations that employees in the federal government had been throwing offers of bribes round the halls of this building. The answers that were given at that time were the same as the answers being given with regard to this spencer matter when we ask, will there be a judicial investigation of the Spencer affair in order that the man may be able to clear his name before the Canadian public?

Last Wednesday we were told by the Prime Minister with regard to the Spencer affair that—and I quote:

> Having studied all the facts of this case, I do not feel it is necessary or useful to initiate a judicial inquiry into this matter. The procedures that have been followed by the R.C.M.P. are exactly the same procedures that were followed when my right hon. friend was in the government.

If you turn to page 10397 of *Hansard* for November 23, 1964, you will find that the then minister of justice, in answer to questions being asked of him by the hon. member for Burnaby-Coquitlam and the hon. member for the Yukon on the Rivard affair, said:

> An inquiry was made immediately, upon my recommendation, into all aspects of this matter. When the inquiry was completed, the R.C.M. Police felt there was not sufficient evidence to recommend a prosecution.

[Mr. Cowan.]

This is the former minister of justice talking on November 23, 1964. Does that not sound like:

> The procedures that have been followed by the R.C.M.P. are exactly the same procedures that were followed when my right hon. friend was in the government.

The then minister of justice continues on page 10379:

> It was our joint assessment of the evidence that there was no case for the laying of information on the state of the evidence obtained.

Then he goes on:

> As far as the minute details of the file, the names of witnesses and the persons interviewed are concerned, I am advised by the R.C.M. Police that this forms part of the contents of a report made by them which, as in the case of all reports of the R.C.M. Police to the minister, remains confidential in the public interest.

He then added:

> I think it is also my duty to repeat to the committee that there has been an inquiry, and that the R.C.M. Police, the commissioner and myself, on an assessment of the whole evidence, do not feel or believe that there is sufficient evidence to justify the laying of information in the present state of the material obtained.

Now I quote from the Prime Minister's statement of last Wednesday:

> However, before a final decision was taken to dismiss Mr. Spencer he was given a hearing by a senior official of the Civil Service Commission.

Then we are told:

> —neither at this hearing nor at those held by Canadian security officers—

That would be the R.C.M.P., of course.

Now we carry on to read the statement of the former minister of justice:

> —it is not the practice of the R.C.M. Police or the Minister of Justice to refer matters to the law officers of the crown for opinions unless (a) the matter is brought to the attention of the minister for that purpose or (b) he is satisfied that there is room for opinion. There has not been a formal submission to the law officers of the crown in this case.

He is referring to the fact that the R.C.M.P. had made a definite statement to him. According to this report there was not sufficient evidence to recommend prosecution in the Rivard matter. We were told in the statement by the Prime Minister last Wednesday that there was not sufficient evidence produced to justify a prosecution in the Spencer case. On November 23, 1964, page 10397, we were told:

> —it is not the practice of the R.C.M. Police or the Minister of Justice to refer matters to the law officers of the crown for opinions unless—there is room for opinion.

I do not know whether or not that means a difference of opinion. I continue quoting:

> —he is satisfied that there is room for opinion. There has not been a formal submission to the law officers of the crown in this case.

We are told in the matter of Spencer that the law officers of the Crown had advised against instituting criminal proceedings against Mr. Spencer and that proceedings were not taken. From that we can judge that there was room for a difference of opinion and that a reference was made to the law officers of the Crown. This is very interesting. I would like to see the papers on the matter. I took part, in opposition, in discussions on motions for production of papers with regard to the levy of tariffs by the former government. I was told that these papers are confidential.

• (2:20 p.m.)

It is interesting to find that in one case the former Minister of Justice tells us he did not refer the matter to the law officers of the Crown because he did not think there would be room for opinion. This time we find there has been such a reference and we were told no action would be taken in the form of a judicial inquiry. We know what happened in the previous case of 1964. There was a judicial inquiry and much came out of that inquiry which would never have been adduced if there had merely been acceptance of the statement of the then minister of justice. Why should we believe there is nothing to be brought forward in favour of Spencer at this time just because we are told it is not necessary or useful to initiate a judicial inquiry into this matter?

I would not be speaking this way with regard to civil liberties if I were not greatly upset by the fact that a minister of the Crown in a nation-wide television broadcast had named this man. If ever a man was accused without having an opportunity to speak on his own behalf, this was the occasion. They argue that his name was already known because he had disclosed it to a newspaper reporter who had interviewed him. But how could his name be kept unknown in the city in which he worked when it was realized he was no longer in the service of the Post Office Department where he had been employed for some time? His fellow workers were well aware he had been removed from his employment and they were naturally curious that a 57-year-old man should be removed. Without doubt there was talk in the Vancouver post office and in the city of Vancouver about this man's disappearance from the federal service. But it was altogether improper, unjust and indefensible for a minister of the Crown to go on the air over a national television network and name the man involved in the case even though he himself had said in a statement made in the fall of last year: "I must be the man involved".

This man is entitled to a full and complete hearing. If it must be held in camera I would have no objection. But to condemn him to a life under surveillance, to remove his pension rights and to fire him without due process of law is contrary to all the principles of—dare I say British justice or must I say "Canadian justice"? When the red ensign was hauled down in the spring of 1965 in this country we did not expect to see the enforcement of British principles of justice go out the window the following winter. I myself will fight for the maintenance of the great principles of British justice—I will call it Canadian justice if you wish—but if this man is not given a hearing I will not have much respect for Canadian justice. I will still fight for British justice.

He is entitled to a hearing. He is entitled to face his accusers personally. Whether or not such a hearing is held in public I do not care provided it is before a third party who is objective in every sense of the word. I do not believe that a man who has had an opportunity of speaking only to a senior officer of the Civil Service Commission and to Canadian security officers has been given a just and proper hearing or one which justifies removing him from his job.

I ask this question: Would they be able to separate this man from his income had he been working for anybody other than the federal government? What would his position have been had he been working in the mines or for the Pacific Great Eastern Railway or for some of the big fruit growing companies of British Columbia? I suggest it would not have been a simple matter to have separated him from his position in those circumstances, because he had never been tried or accused in open court. I say that the defence of the civil liberties of the individual is the first burden which should rest on every member of the House of Commons no matter on what side he sits.

Some hon. Members: Hear, hear.

Mr. Cowan: There are some amazing coincidences in the cases of Rivard and Spencer. I referred to one of these the other day in conversation with an hon. member. It had to do with a discussion whether someone had said "heads will roll" or "heads will swim".

One hon. member read a newspaper clipping and it turned out that Mr. Spencer had

said "Heads will swim". Now hon. members will find that very expression used as recorded in *Hansard* of November 23, 1964 at page 10387 at the bottom of the column. The hon. member for Yukon was speaking and he said:

> I feel that if such an offence had been made by anyone other than Mr. Denis, charges would have been laid so fast it would have made his head swim.

I do not know why these coincidences occur. I begin to think this is where I came in. When I hear of these objections to a judicial inquiry with regard to the Spencer affair, all I need do is change the name to Rivard in order to hear exactly the same record—

Mr. Diefenbaker: And change the Minister of Justice too. The same old tune.

Mr. Cowan: Anyway, what was done in this case was very different from the treatment handed out to Mr. Bélec and Mr. Poitras. These are two gentlemen from the city of Montreal who were employees of the Royal Canadian Mounted Police. What happened in this case? We have not been given full official details of what occurred but from a press release we understand that certain moneys were unaccounted for and that these funds were under the control of the two men I have mentioned. A court was held to decide this matter. I say "a court" because under the appropriate act dealing with the R.C.M.P. this parliament has given authority to the R.C.M.P. to make certain arrangements to deal with internal discipline. A court was held to investigate the accusations brought against these two highly placed officers of the force. One of them, an inspector in the province of Quebec, is the only commissioned officer in the 98 years of history of the R.C.M.P. to be convicted of a crime in the R.C.M.P. courts.

The R.C.M.P. brought in one of its senior men from Edmonton and a just hearing was held. These two men were brought before the hearing. They then appealed the verdict handed down by this official from Edmonton. The appeal went before the commissioner and was referred to a review board. The appeal board gave its verdict and delivered it to the commissioner. We understand that the commissioner of the R.C.M.P. wished to dismiss summarily these two highly placed officers of the R.C.M.P. working in the province of Quebec in the city of Montreal.

What happened? The matter was referred to the cabinet before any such drastic step was taken. It affected pension rights. After many months of probing and inquiring we came up with the facts to which I have referred earlier in this house. I spoke on this question at some length on June 30, 1965. I have here copies of the orders in council in which these men who had been found guilty by a properly constituted court of failing to account properly for funds placed under their control were retired. They were anxious to retain their pension rights.

The cabinet goes to work and considers the many years of fine service these men gave up to the time the defalcations were discovered, and by special order in council Chief Superintendent René John Bélec was compulsorily retired from the R.C.M.P. on a pension of $6,624 per annum.

• (2:30 p.m.)

Where was Mr. Spencer then? He was a junior clerk in the Vancouver post office and had no access to secret or confidential papers.

Some hon. Members: Hear, hear.

Mr. Cowan: Yet at the same time the Treasury Board, approved by His Excellency the Governor General in Council, recommended that:

> Sub-Inspector Joseph Hosanna Maurice Poitras, who was compulsorily retired from the Royal Canadian Mounted Police force—
>
> Be paid a pension
>
> —at the rate of $1,526.80 per annum from December 9, 1964, until such date as he attains the age of 65 years and thereafter at the rate of $1,953.30 per annum.

These two men were given a trial by the properly constituted court of internal discipline of the R.C.M.P. They appealed and the verdict of the appeal court was referred to the cabinet with this result.

What about Mr. Spencer? We know he has had no open trial. We know he was not before any properly constituted court. Where is his pension? Gone with the wind. Where is his job? Gone with the wind. The man can whistle for his welfare and future so far as the Prime Minister's actions are concerned. I maintain that there has to be an investigation into the matters concerning this affair.

How can we say that two representatives of a great foreign power were engaged in certain espionage activities and therefore should be asked to leave the country and then turn around and say, "We cannot prove it with regard to the man they were supposed to be dealing with; there is not sufficient evidence on which to obtain a conviction"? If we cannot prove that the Canadian citizen was cooperating with these representatives of a

foreign power, then the foreign power should be asked to send back its two representatives to Canada.

I say you cannot have it two ways. I say you cannot condemn people and tell them, "You must leave the country", and then say to our own citizen, "We cannot hang anything on you so we will just place you under surveillance, remove your pension rights, take you off your job, but we are not able to secure a conviction in open court. The security officials who have investigated the matter have said so".

We are trampling on the rights of every Canadian when we take that action with regard to this man Spencer in Vancouver, and I ask that we have a judicial investigation by a third party, in camera if you will but a third party who will enjoy the confidence of every member of the House of Commons.

Referring again to the opening days of the Rivard affair—I do not think I missed a moment in the House of Commons while the session was going on—on November 23, 1964, as recorded at page 10386 of *Hansard*, the then minister of justice said:

> The reason I personally have decided that until further evidence were obtained it would not be fair to lay a charge is only because the laying of charges in a case where one knows there is no chance of judicial success is an act of smear, a lack of charity and an injustice—
>
> If in the present case I had personally ordered the laying of a charge, I would have betrayed my conscience and acted against the principle that would govern an honest citizen, because I might have brought about the condemnation without trial . . . . of two young men whose future ought not to be placed in jeopardy—

The minister of justice of that day stated:

> If in the present case I had personally ordered the laying of a charge I would have betrayed my conscience and acted against the principle that would govern an honest citizen, because I might have brought about the condemnation without trial . . . . of two young men—

That being so, what does one say about a minister of justice who appears on a national television network and makes the statement, accusing a person who has had no opportunity of a legitimate trial, that he has been participating in espionage activities? I say, Mr. Chairman, you cannot have it two ways.

I have another interesting report, again one of these repetitious pieces that I would like to put on the record. In 1964, again on November 23, as recorded at page 10,391 of *Hansard* the then minister of justice stated:

> —A full report was made to me and discussed with the commissioner on September 18 of this year. I do not want to mislead the house and give the impression that the commissioner has made a decision. It was not up to the commissioner to decide. We discussed his views on the matter from the standpoint of police investigation and fact finding as a result of the investigation. With regard to any decision respecting the lodging of a complaint in the light of the report and that conversation, I, of course, must take responsibility because under the statute the legal adviser to the crown is the Minister of Justice, and not the commissioner of the R.C.M.P.—

In the statement made by the Prime Minister on Wednesday we are told that it is not necessary or useful to initiate a judicial inquiry.

> The procedures that have been followed by the R.C.M.P. are exactly the same procedures that were followed when my right hon. friend was in the government.

We are also told that Mr. Spencer did not protest at the hearing held by Canadian security officers, which would be the R.CM.P., and that the R.C.M.P. again advised the present Minister of Justice that an action for criminal proceedings would not bring a conviction. Speaking of the word "conviction", I have here in my hand a copy of the Official Secrets Act of the Dominion of Canada chapter 198 of the statutes. In section 14(1) we read:

> For the purposes of the trial of a person for an offence under this act—

Well, that is very nice. It says:

> For the purposes of the trial of a person for an offence under this act—

Suppose you do not have a trial under the act? I guess this would not apply but we are told Spencer was violating the Official Secrets Act. When this act was passed in 1939 it is a certainty that the government intended that anybody accused of an offence under it should get a trial. That is why it says:

> For the purposes of the trial—

It does not say trial by a representative of the Civil Service Commission or by a security officer of the crown.

Section 15(1) says:

> Where no specific penalty is provided in this act, any person who is guilty of an offence under this act shall be deemed to be guilty of an indictable offence and is, on conviction, punishable by imprisonment for a term not exceeding fourteen years;—

I am not quarreling with the Official Secrets Act but I should like to see it enforced. I do not want to see it evaded because every evasion of the law of the land simply sets a precedent for further evasions in further aspects of the law. I quote again section 14(1) which says:

> For the purposes of the trial of a person for an offence under this act—

And section 15(1) which says:

> Where no specific penalty is provided in this act, any person who is guilty of an offence under this act shall be deemed to be guilty of an indictable offence and is, on conviction, punishable by imprisonment for a term not exceeding fourteen years.

There has been no trial in the case of Spencer so how could there be a conviction?

I have been reading about the similarities between the Spencer affair and the Bélec and Poitras case because of the pension angle and because of the Rivard affair. Only yesterday I read the comments of the hon. member for Athabasca, as recorded at page 2562 of *Hansard* for June 17, 1965. He is a former member of the R.C.M.P. with 23 years service in the R.C.M.P. and the Canadian army and this is what he said on that occasion:

> The Commissioner of the Royal Canadian Mounted Police is in a very unenviable position. On the one hand, he is permitted to exercise almost unlimited discretion and in certain cases the government is willing to stake its reputation and its whole future on his judgment. On the other hand, other decisions made by the same man are either completely ignored or overridden. I suggest that you cannot have it both ways.

In the case of Bélec and Poitras the R.C.M.P. recommended that they be dismissed but these two men went to the cabinet and one of them was given a very handsome pension and the other a worth-while pension. In this case the R.C.M.P. report was overridden. In the case of the Rivard inquiry we were told that the R.C.M.P. maintained that no convictions could be obtained if charges were laid, but look at what the situation is today when this matter is pressed?

We are told again in the Spencer case that it would be impossible to convict Mr. Spencer if charges were laid on the present evidence. I say that Mr. Spencer must be given his day in court even if it is in camera before a judge of the highest courts of this land or before a small committee of the House of Commons. I do not object to the inquiry being in camera but I would like to see the judge a third party, not someone directly interested in this matter.

There is much that can be said about this matter. I could bring in the Landreville case.

• (2:40 p.m.)

People are running around telling us we must not condemn him without trial, this is not fair, this is against Canadian justice, people are making accusations against Mr. Justice Landreville and he has no opportunity to answer them. What about Mr. Spencer? He is just a little fellow from Vancouver but

Mr. Justice Landreville, in terms of the street, is a big shot. He was mayor of Sudbury. He has appealed his income tax assessments to the Tax Appeal Board because they were so heavy. He is a member of the Supreme Court of Ontario. We are told, do not pre-judge the case, apply British justice and fair play. I say if that is the argument they are going to use with Mr. Justice Landreville, and I believe in his being given justice and fair play—

The Deputy Chairman: Order. The time allotted to the hon. member for York-Humber has expired.

[*Translation*]

Mr. Mongrain: Mr. Chairman, before coming to the house in early January, I had, on many occasions and like most Canadians, read press reports about the Victor Spencer case. Since I have been sitting here, that is, since January 18, I have heard this name spoken much more frequently than that of the Leader of the Opposition (Mr. Diefenbaker) or of the leader of the government (Mr. Pearson).

I have heard the name of Victor Spencer repeatedly, much more often than I heard members of the house propose pieces of legislation beneficial to the Canadian people.

I know, Mr. Chairman, that parliament is a place to speak one's mind and that the duty of an opposition is to oppose. However, I believe there are reasonable limits beyond which one cannot step without being discredited before the public opinion. In fact, I know that public opinion is getting fed up with these useless discussions that serve only to obstruct government business. Yet, the opposition continues to talk of the Spencer case with an enthusiasm worthy of the best causes.

I have the feeling that Mr. Spencer's defenders speak on his behalf with more ardour, conviction and devotion than they would to defend Her Majesty the Queen of England, the integrity of Canada or the freedom of a citizen wrongly imprisoned.

What is this all about? Involved is a citizen who, we have serious reasons to believe, took part in seditious or dangerous activities against this country, who acted treasonably toward his country in favour of a foreign power.

I realize that the opposition is entitled to ask questions, as I said before, but this has got to stop somewhere. The opposition is justified in suspecting that something fishy is

going on in high places. I know that the opposition is justified, in each case, in invoking the rights of man.

What I do not understand is when members take advantage of this to keep harping on the Rivard case, Banks and Doctor Marcoux. All those things have been settled either by the courts or by inquiries. At any rate they were settled last year during the last election campaign, when the federal government had the opportunity to examine its conscience and consider the penance imposed by public opinion, since it was deprived of the strong majority it was seeking.

I think that these things should be considered settled and the Canadian people given the legislation for which they are waiting.

Let us return to the Spencer case. I think that the government must have found some extenuating circumstances to proceed as it did. Everyone knows that it is not always easy to establish legal evidence. But when national security is involved, the government is entitled to take certain precautions, because this becomes a matter of the public good.

When speaking of human rights, there is a distinction to be made, since public good has priority over private interest. This should be remembered in relation to the present case.

I am told that Mr. Spencer confessed. I agree with the opposition that the government should not have taken his pension away; in my opinion, the government should have given it back to him. It belongs to him; he must live, as well as his family, even if he took part in seditious activities.

I do not want to speak very long, Mr. Chairman, because it would be illogical. In view of the remarks I wanted to make, I would like to propose a compromise. Everything that is being said leads to what? Are we trying to make a martyr out of Mr. Spencer for his various supporters? That seems obvious to those who, like me, do not belong to any party.

What is being achieved? Parliament is paralysed, the people who are expecting a constructive legislative program are paying the price of that debate, and Mr. Spencer has been pilloried.

Therefore, Mr. Chairman, I would like to propose a compromise: the government should, in the circumstances, agree to hold a judicial inquiry in camera as soon as possible, if the opposition will agree not to obstruct any longer business of the house by coming back all the time to the Rivard, Marcoux and Hal Banks cases.

We are considering estimates covering money already spent. We will have the opportunity to come back to those matters and we should try to come to a truce. A very successful effort was made last night, and I think the persons responsible for this deserve congratulations, so that the legislative program that the people are anxiously awaiting may finally be introduced.

Changes were made within the cabinet; the responsibilities of individual ministers were redistributed also. We know that the members of the cabinet are planning the legislative program that the people are clamouring for. If some people keep on staging filibusters on matters such as the Spencer case, we will never do any constructive work.

Let us not forget that there are more important matters than the Spencer case. The sick are waiting for the health insurance scheme; the unemployed are waiting for legislation to get work; in business men are waiting for the economy to improve; old people are waiting for a pension fund. And we spend weeks and weeks discussing matters already settled.

In spite of the importance of individual rights, I maintain that those matters are more important than the Spencer case.

I should like to suggest once again this compromise that should be acceptable both to the opposition and to the government: let the government, in a gesture of self-denial, agree to a confidential judicial inquiry, since state secrets and national security are involved to a certain extent, and let the opposition agree to stop harping on the same old stories, such as the Dorion inquiry, the Rivard case and so on. I am shocked to see the Prime Minister who, after all, with the Minister of Justice (Mr. Cardin) is responsible for the administration of the country, compelled to prevent a greater evil by setting up a surveillance such as the one to which was submitted this individual accused of spying.

I am surprised to see that the Prime Minister is being attacked not only by the members opposite but that even some of his friends are taking pot shots at him from the rear and compare cases in no way similar since the case of Mr. Belec of the Royal Canadian Mounted Police has no point of comparison with Mr. Spencer's case. The latter is a traitor to his country whereas the former and his compatriot spent a lifetime defending their country. The charge laid

against them was a very light one and if the government was harsh on them, it is because they were police officers who cannot be allowed even the smallest peccadillos.

The Canadian people will not be happy with the discussion going on around the name of Spencer. What is required is a legislative program to meet the needs of the people. They are fed up with these insignificant and endless discussions. As an independent member, wishing to take neither side, I would suggest that both sides meet half-way. Let the government immediately agree to this in camera judicial inquiry and let the opposition put an end to this nonsense and let us get on with constructive legislation.

• (2:50 p.m.)

[*English*]

Mr. Nielsen: Mr. Chairman, I want to deal very briefly with the Spencer case but before doing so I should like to inform the Minister of Justice that it is my intention to discuss bankruptcy frauds in general. I am going to leave specifics aside until question No. 577 on the order paper has been answered. It is one which sets forth some very pertinent questions to be answered by the ministry. If the Minister of Justice is prepared to answer those questions during the course of our consideration of his estimates on Monday I will be pleased to follow him in making my remarks about this subject. In any event, I want to have those answers before I engage in any specifics regarding bankruptcy frauds.

At this time I want to deal very briefly with the Prime Minister's statement of February 23 wherein he stated, as recorded at page 1682 of *Hansard* and as repeated by the hon. member for York-Humber this afternoon, that at no time did any spokesman of the government identify Spencer. That is simply not true. Mr. Spencer was approached by a Vancouver reporter, Tom Hazlitt of the Vancouver *Province*. Mr. Spencer identified himself to Mr. Hazlitt but Mr. Hazlitt kept that information in confidence. It was the Minister of Justice himself who on a television broadcast first mentioned the name of Mr. Spencer.

Mr. Cardin: That is not true.

Mr. Nielsen: I am sure the minister will recall that that is the case if he searches his memory carefully.

Mr. Cardin: That is not the case.

Mr. Nielsen: The minister will have to satisfy me and a good many other members of this house to the contrary. The hon. member for York-Humber put his finger on the situation and he is a member of the minister's own party. The leader of the New Democratic Party skirted the fringes of the real facts in this case. Whatever the minister says, the fact remains that Mr. Spencer's name was first mentioned by him to the public.

Mr. Cardin: That is not a fact.

Mr. Nielsen: He did so on a television broadcast. Before leaving that matter I join with those who demand that an in camera inquiry be held in order to determine whether or not there was sufficient evidence upon which Mr. Spencer was dismissed and denied his pension rights. The minister is following exactly the same wrong course followed by his predecessor, acting as the prosecutor—

Mr. McIlraith: That was the Leader of the Opposition.

Mr. Nielsen: I will have something to say about the Leader of the Opposition vis-à-vis the Minister of Justice in a moment or so. The Minister of Justice and the Prime Minister have acted as chief prosecutor, judge and lord high executioner in the most arrogant and unjust way possible, in precisely the same way as the former minister of justice acted regarding other matters that have already been discussed in this house.

The Prime Minister in his statement of February 23 said:

> The law officers of the Crown had advised against instituting criminal proceedings against Mr. Spencer—

Why is that so? What is being covered up? Mr. Spencer said that heads will swim. Whose heads, and why will they swim? These are very pregnant questions which are being left unanswered. If proceedings should be taken against others, if there have been offences of which Mr. Spencer could inform us then these would come out before an independent judge or commissioner sitting to ascertain the facts, not only with regard to whether justice is being done in this case but in others as well.

If evidence does not exist upon which proceedings could be taken against Spencer then why was he dismissed and why was he denied pension rights? If evidence did exist upon which proceedings could be taken, why were they not taken? If, as the Prime Minister said in his statement, much of the evidence would be inadmissible in a court of law, what is the danger of taking proceedings, because that evidence would be inadmissible in any event? Who is the Prime Minister to set himself as the arbiter of what is or is not admissible evidence?

Members have already dealt with the Hal Banks case. The hon. member for Verdun in a posturing manner criticized the previous government for its conduct in dealing with the Banks matter. Last session when the Industrial Relations Committee was sitting I tried day after day to place evidence before that committee but I was prevented from doing so by a majority comprised of Liberal members, of which the present Minister of Agriculture was the chief spokesman.

That information was made available to law enforcement officers in this country and the books of the S.I.U. were seized. Unless I miss my guess, there will be sufficient evidence upon which to base extraditable charges against the elusive Mr. Banks. The Liberal Party had a majority on the Industrial Relations Committee the last time it sat and they were supported by our friends to the left. I am surprised to note that the hon. member for Winnipeg North has called for the production of the Norris working papers, because his party supported the Liberal objection to the introduction of this evidence before the Industrial Relations Committee the last time it sat.

Mr. Cashin: The Liberals did not have a majority.

Mr. Nielsen: They did when supported by our friends to the left, as they do today with that same support.

Mr. Cashin: I am just trying to help you get your facts straight.

Mr. Nielsen: My facts are usually borne out. We now have a Minister of Justice telling us, as he told us last fall and as he told the press when the matter of the Sefkind bankruptcy files came up, that he has no responsibility in this field. He invited the Leader of the Opposition to peruse those files but would have nothing to do with my request to look at them.

Mr. Cardin: That is right. You are not a privy councillor, are you?

Mr. Nielsen: He said there was no responsibility and it was not a federal matter at all.

Mr. Cardin: What are you quoting?

Mr. Nielsen: He said it was a matter that concerned only the province. He said that again in his own official press release of September 9, 1965, which has not yet been quoted verbatim to him.

It is of interest today to consider some of the words the Minister of Justice used in this press release which was issued by the minister in connection with accusations made by Mr. Kierans of Quebec when he was the revenue minister. He suggested that the federal Department of Justice was being negligent and indifferent in the administration of the Bankruptcy Act. Mr. Kierans charged the justice department with "considerably hindering" the Quebec war against the underworld and demanded that the new justice minister, the one who sits before the committee this afternoon, tighten up on bankruptcy controls in the light of the Mercier commission report made public last month.

• (3:00 p.m.)

What did the minister say in his press release of September 9, 1965?

> I was surprised and shocked to read the account in today's *Gazette* of Honourable Mr. Kierans' speech to the Canadian Paper Trade Association at the Seigniory Club yesterday. Mr. Kierans is reported to have accused the federal Department of Justice of negligence and indifference in its administration of the Bankruptcy Act and with "considerably hindering" Quebec's war against the underworld.

He said on page 2 of his release:

> In the first place there is, unfortunately, considerable confusion on the subject of "fraudulent bankruptcies"—

There certainly is and it has been magnified by the creation of—

Mr. Cardin: By you.

Mr. Nielsen: The minister says by me. He has not even heard me yet. I have said nothing about bankruptcies yet, but he is accusing me already—

Mr. Cardin: You said it last November.

Mr. Nielsen: —of confusing the issue. This confusion has been magnified by the creation by this government of a Cerebus ministry with three separate heads. This has confused the matter even worse. If this government ever expects to tackle organized crime in this country on an organized basis, it certainly will not be done by the disorganized decisions that have resulted in the trifurcation of the Department of Justice. The minister went on to say in his press release:

> —and it would frequently be more appropriate to talk about fraudulent credit rather than fraudulent bankruptcies.

That is wrong. The problem the government is confronted with in connection with bankruptcies is not fraudulent credit; it is fraudulent bankruptcy. That is the racket

that is operating in this country. Then the minister said:

> The real complaint is frequently that certain people are obtaining credit unscrupulously with no intention or likelihood of meeting their debts after disposing of the goods they obtain.

What is the minister trying to do by using this kind of language in his press release, if it is not to minimize what has been referred to as a cancer on legitimate business in this country? The press release continues:

> Bankruptcy is the inevitable result but it is usually a consequence of what has been done rather than a means, in itself, of defrauding creditors.

Mr. Cardin: That is right.

Mr. Nielsen: How far can the minister go in minimizing the seriousness of what confronts his department and the government in these fraudulent bankruptcies? Bodies are being dug up all over the province of Quebec.

Mr. Cardin: Does the fact that bodies are being dug up all over Quebec or any other place mean it has something to do with bankruptcies?

Mr. Nielsen: Does the minister sit there and endeavour to suggest to me that the murder of Payette is not linked with fraudulent bankruptcies?

Mr. Cardin: Can you say that it is?

An hon. Member: He says anything.

Mr. Favreau: He says what he wants to say.

Mr. Nielsen: I will deal with that matter when the minister has answered the questions that I have placed on the order paper.

Mr. Favreau: How?

Mr. Nielsen: I could now name the five companies that this gentleman was connected with, but I am not going to do that. It will be done after the minister produces the answers to those questions.

Mr. McIlraith: Oh, a threat.

Mr. Nielsen: No, it is no threat at all. The minister has an obligation to explain these matters and he is going to make those explanations. I for one am going to see that those explanations are forthcoming.

Mr. Cardin: Mr. Chairman, so there will not be too much confusion could I ask, what explanations does the hon. member want me to give?

Mr. Nielsen: Obviously the minister has not read question 577 on the order paper. Those questions are specific; they were placed there two weeks ago.

[Mr. Nielsen.]

Mr. Cardin: That is a question?

Mr. Nielsen: It is a series of questions and there are other questions I want to ask the minister about. But I suggest to him that he certainly cannot sit in his place today and deny what I put to him concerning the unfortunate demise of Mr. Payette.

Mr. Cashin: Anyway, Cowan stole your headlines today.

Mr. MacEwan: You know all about sewers.

Mr. Nielsen: The minister said:

> It has always been understood that the suppression of pre-bankruptcy fraud is the responsibility of the provincial authorities as a part of the administration of criminal justice by the provinces. The federal role, on the other hand, exercised through the Superintendent of Bankruptcy, has always been understood to be, essentially, the supervision of the trustees.

As long as the minister maintains that attitude so long will bankruptcy fraud flourish in this country.

Mr. Cardin: That is why I want a revision of the act.

Mr. Nielsen: The minister says he wants a revision of the act. Obviously he has not read the act, as he has not read my questions. Let us look at the act for a minute or two, if the minister thinks he is being curtailed by its limited provisions. Mr. Mercier did not think the minister was limited by the provisions of the act. The act says in section 3:

> The Superintendent shall, without limiting the authority conferred in subsection (2), from time to time make or cause to be made such inspection or investigation of estates as he may deem expedient—

Mr. Cardin: "Of estates", not of the frauds that precede the bankruptcy.

Mr. Nielsen: Who is talking about frauds that precede bankruptcies? We are speaking about bankruptcy frauds that have been flourishing and growing over the last three or four years. Repeated representations have been made, and recently, to the minister and his opposite number the Attorney General of the Province of Quebec. If there is any doubt about the fact that organized crime of which bankruptcy frauds are an essential ingredient flourish in this country, one has only to refer, if the minister has done so and I trust that he has, to the background paper that was presented to the last federal-provincial conference.

I believe the content of that paper deserves to be placed on *Hansard* so the general public of this country that does not see papers tabled in the House of Commons will have an

insight into the seriousness of the situation that confronts the government and the country generally in this matter of organized crime.

The R.C.M.P. report very bluntly set out that since the elimination of the first syndicate in the middle-1950 period organized crime has been growing and flourishing in Quebec and elsewhere in the country. They say on page 2 of the paper:

> Since that time there has been a steady increase in the development of organized criminal groups in Canada, composed of both local criminals and of those foreign criminals who have managed to settle in this country.
>
> From Canada, these groups maintain a close working relationship and personal tie with many of the U.S.A. based syndicates, and it is significant that many of these U.S.A. groups have recently been labelled as "Mafia" by the U.S. Senate Subcommittee on Organized Crime. The Canadian groups also maintain connections with criminal elements in Southern Italy and Sicily, which the Italian authorities call "Mafiosa", and with criminals in other urban areas of Canada where the commercial development and high population density offers potentially fertile breeding grounds for development of lucrative crime.
>
> We find these groups at present centred mainly in the more densely populated commercially developed areas of Ontario and Quebec. Their criminal activities fluctuate into nearly all fields of lucrative crime. We find them active in such things as extortion rackets, stock frauds, gambling, labour racketeering, narcotics, counterfeiting, bankruptcy fraud, illicit liquor, arson fraud, business manipulation and other forms of racketeering.
>
> These groups have over the years developed a fairly efficient and well organized administrative system—

The paper explains that the group is broken down to levels such as directors, administrators, often called lieutenants, and labourers or the common criminals. It continues:

> Many pose and are accepted as members of the business world, or as members of reputable professional fields.
>
> We find these leaders posing behind pseudo-legitimate business fronts, such as construction firms—

• (3:10 p.m.)

I am sure the minister has heard of Scalia Development Incorporated, in Montreal, Quebec, and one of the principals involved in that firm. I am sure he has heard of his background.

Mr. Favreau: There is no mystery about that. That material has been tabled in the house.

Mr. Nielsen: Has it now? The only tabling of anything similar in the house which I know of was an answer by the Solicitor General last Monday to a question concerning Guiseppe Cotroni in Kingston. That is the only similarity I have seen so far. Then meat markets, real estate, export-import businesses, steel brokerages, labour consultants, law firms, and so on, are referred to. The report goes on to say:

> They evoke an air of respectability. They live in the best neighbourhoods. They contribute to church and charity and live quietly. They are good neighbours. They are affable to the general public.

I could go on and put the whole of this background paper on the record. On page 5 of the R.C.M.P. report appears the following:

> Therefore, to operate successfully and continually they must have two factors in their favour: inefficient enforcement of existing laws; immunity from prosecution and interference.

To both those statements I would ask the question: Why?

> The present division of jurisdiction and responsibility among the many police forces in Canada contributes—

The report uses the word "somewhat"; I would say "significantly"—

> —to inefficient enforcement of existing laws, especially where the criminal group may conduct their activities simultaneously within the jurisdictional areas of several different police forces.

There is one national police force in this country. That police force must be encouraged to assume its full national role in the fight against organized crime. There must be obtained, from the provinces with regard to those areas where there is overlapping jurisdiction, agreement that the police force will be clothed with the undisputed authority to deal, and deal effectively, with organized crime. This is not going to happen if one province says "Out you go; we can look after our own business here". Organized crime must be fought on an organized basis, and you will not achieve that result either by a trifurcation in the Department of Justice or by having the R.C.M.P. pussyfooting in their investigative roles in the various provinces.

The report goes on:

> The second factor is of great importance to the group. To obtain immunity they must ingratiate or make "pay-off" to someone in authority—be it the police, civic authorities, politicians or influential members of the community. The by-product of this action is corruption—a breakdown in the administration of justice, of government function, and of the moral fibre of the community.

Then reading toward the bottom of the page:

> When the legitimate competition is eliminated—

Speaking about bankruptcy frauds.

> —they can then bilk the general public by exorbitant prices, unethical business operations, bankruptcy and fraud.

The Mercier report, quoted briefly by another participant in this debate, is one of the most condemning documents I have seen in a good long time. It stipulates that trustees appointed by the federal minister responsible—because therein lies the ultimate responsibility—are involved in these frauds. The Mercier report pointed out that notwithstanding this knowledge these trustees remained as trustees.

The minister knows that, notwithstanding evidence of fraud in the lumber business in his own province, these companies have been allowed to operate year after year with the same principals. I ask, why has nothing been done? Evidence has been submitted by a lumbermen's association which would justify proceedings under the Criminal Code or the Bankruptcy Act. Yet no action has been taken, and I ask why?

When I listened to the minister's interjections I was taken back to a speech he made in the House of Commons a few years ago. He now sets himself up as the Minister of Justice of this country whose only thought is to be pure and fair; who is always preoccupied with seeing that justice is preserved in its purest possible form. I sent up to my office for this speech of his, which was made on February 22, 1962.

Mr. Cardin: I hope you are going to quote it all.

Mr. Nielsen: If I were the minister I would be ashamed to ask that the whole thing be quoted. As reported at page 1141 of *Hansard* that day, he said:

> The Prime Minister must be reminded—

This was the time when the present Leader of the Opposition was Prime Minister and the Minister of Justice was sitting over here.

> —that in our democratic form of government the Prime Minister is not above the truth.

Then he went on to say:

> In deference to the Chair I will drop the phrase "above the truth". The Prime Minister's speeches in the house, which should set the note for useful and constructive debates, degenerate into criminal court debating tactics filled with personal insinuations, half truths and sophistry such as will not be found in the records of *Hansard*—

An hon. Member: That is right.

Mr. Nielsen: I hear someone say "That is right". Hon. members will hear some more of this before I am through. The minister went on to say:

> While the Prime Minister is himself the greatest offender in the House of Commons in this respect, he accuses the opposition of lacking in political chivalry and of adopting smearing tactics, considering himself like Caesar's wife to be above reproach.

Then, as reported on the following page, he accused the Prime Minister of that day of toying with the truth, and went on in these words:

> From the first day the Leader of the Opposition was chosen head of the Liberal party the Prime Minister, by his cynical attitude, words and disparaging remarks about the Leader of the Opposition, has revealed that in the deep recesses of his soul there burn the envious fires of the little green-eyed monster.

Then he continued:

> But surely the Prime Minister betrays his greatest weakness by his continued disparaging, insulting and indeed inaccurate statements on the career, and indeed the reputation, of a great Canadian diplomat, who, by the way, has also become a great leader of the Liberal party.

The minister made a very impartial and fair speech. Was he toying with the truth again? The words with which he concluded his speech are words which I am going to throw right back to him:

> • (3:20 p.m.)
>
> To use the vocabulary of the Minister of Finance, that is a blatant lie; it is a nazi-like lie; it is a fascist lie with strong overtones of McCarthyism.

This is from page 1145 of *Hansard* of February 22, 1962.

An hon. Member: Somebody should read it for him.

Mr. Nielsen: That is the Minister of Justice today.

Mr. Cardin: I was quoting what I know.

Mr. Nielsen: You were wrong.

Mr. Cardin: I was quoting the words of the Minister of Finance.

Mr. Nielsen: I was in the house when the minister made that speech.

Mr. Churchill: So was I.

Mr. Nielsen: I remember his using those words.

Mr. Cardin: I was quoting the Minister of Finance at that time.

Mr. Nielsen: Does the minister now say that the report is erroneous? The minister should have risen at the time to correct *Hansard*, if he did not like it.

What is the minister doing now with regard to the Spencer case, if it does not fit within the category within which he attempted to bracket the Prime Minister of that day.

The Deputy Chairman: Order, please. I regret to interrupt the hon. member, but—

Mr. Favreau: Let him go on; let him go on.

The Deputy Chairman: Is that agreed unanimously?

Some hon. Members: Agreed.

Mr. Favreau: Let him go on.

An hon. Member: He has not said much; let him go on.

Mr. Nielsen: I am sure that the hon. member for Lapointe will be able to make a contribution to the debate. He usually makes his contributions from behind the curtains.

Mr. Chairman, if the minister is prepared now to rise and give me the answers to questions I placed on the order paper, I would be prepared to go into specifics.

Mr. Deachman: On a point of order, Mr. Chairman: I did not consent to the hon. member's continuing. I do not see that his address warrants the time of the house.

Mr. Favreau: No, no; let him expose himself.

Mr. Deachman: We do not wish to listen to him any longer.

The Deputy Chairman: Order, please.

Mr. Churchill: Trained seal, sit down.

The Deputy Chairman: Order, please. The Chair had the impression that there was unanimous consent to permit the hon. member for Yukon to continue his speech.

Some hon. Members: Hear, hear.

Mr. Nielsen: The President of the Privy Council has made an observation which I am quite sure has been noted in *Hansard*, and which should not be allowed to remain unanswered. He says, "Let him expose himself".

Mr. Favreau: Yes.

Mr. Nielsen: "Let him expose himself." I say, let the government make some explanations.

Mr. Diefenbaker: The Supreme Court of Canada, indeed.

Mr. Nielsen: Let the government make the explanations it is obliged to make, and I shall be prepared to bring forward the company names which the minister already knows about, in any event.

An hon. Member: You are withholding information.

Mr. Nielsen: I am not withholding information. The government has an obligation to answer questions put on the order paper by members of the house. All that it is doing by its delay is attempting to gain some sort of position. Let me tell the government that it is not going to gain that position. Members of the government are going to answer questions, and they are going to answer them truthfully, because when I see the answers to these questions I will know whether they are truthful and whether they are fully answered. That is the reason I say, and feel, and have no hesitation in expressing, that you can only delay for so long.

Mr. Cardin: There is no delay, and we have already answered truthfully.

Mr. Nielsen: The minister knew his estimates were coming up. I will reserve my remarks until he has answered the question.

Mr. Cardin: Nobody is refusing you.

Mr. Nielsen: In so far as the interjection of the President of the Privy Council is concerned, he is an expert in the business of exposing one's self.

Mr. Monteith: He should know.

Mr. Favreau: I shall prove it, even when we are not under oath.

Mr. Nielsen: When I heard the rumour about the possibility of this gentleman's being appointed to the Supreme Court of Canada, I wondered, Mr. Chairman—I wondered.

Mr. Chairman, the Minister of Justice knows that there is a serious situation confronting the government with respect to these bankruptcy problems. Indeed, the Minister of Justice in Quebec has informed the general public of Canada, through the press, that he does not expect these gangland slayings to stop where they have. Already eight people have been done away with. There have been press speculations, and indeed statements by the government in Quebec or government spokesmen in Quebec, that bankruptcy frauds and arson frauds are not connected. However, when one looks at the histories of the individuals who have been put out of the way he cannot help but conclude that there is a very positive connection indeed.

I should be very pleased to go into much more detail with respect to the companies concerned, and with respect to the principals in these companies. I urge the minister therefore to ask his officials to give urgent attention to the business of answering the questions I have asked, because they will give rise to others, as well. Particularly, I want a full answer as to the reasons for the change of superintendents.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Grégoire: Mr. Chairman, could I put a question to the hon. member for Yukon (Mr. Nielsen)?

A few moments ago, the hon. member for Yukon referred to the Montreal lawyer who was murdered recently. Was it the hon. member's intention to say, in his words, that the murder or the death of this young Montreal lawyer would be, or is, related to the matter of fraudulent bankruptcies in Montreal?

Mr. Habel: No, that is what he intimated.

[*English*]

Mr. Nielsen: The Minister of Justice has the responsibility of answering that question.

Some hon. Members: Oh, oh.

[*Translation*]

Mr. Grégoire: No, Mr. Chairman, that was not my question. The point was not raised by the minister, but rather by the hon. member for Yukon, and I should like very much to get an answer from him, because he rises in his place and makes statements. But there are some who knew this lawyer Payette, of Montreal. Therefore, if the hon. member has a statement to make—

An hon. Member: Let him make it.

Mr. Grégoire: —let him make it, let him say it, let him make an assertion, for once.

[*English*]

Mr. Nielsen: A good many people I am sure knew the deceased, Mr. Payette, including members of this house.

[*Translation*]

Mr. Grégoire: Mr. Chairman, that is not an answer. If the hon. member for Yukon does not want to answer, let him shut up.

Mr. Lambert: You have no right to answer.

[*English*]

The Deputy Chairman: Order, please. The hon. member for Leeds.

Mr. Nielsen: Mr. Chairman—

Mr. Favreau: We will adjourn the court.

[*Translation*]

Mr. Grégoire: Mr. Chairman, with your permission, I should like to ask a question, if the hon. member for Leeds will allow me—

The Deputy Chairman: Does the hon. member—

Mr. Grégoire: Just one question, Mr. Chairman—

The Deputy Chairman: Will the hon. member for Lapointe please sit down.

The question is whether the hon. member—

[Mr. Nielsen.]

[*English*]

The hon. member for Yukon has had the unanimous consent of this house to continue his speech. Will the hon. member for Yukon permit the hon. member for Lapointe to ask him a question.

Mr. Nielsen: I have done that.

The Deputy Chairman: The hon. member for Yukon has been answering two or three questions, and the hon. member for Lapointe wishes to ask another question.

• (3:30 p.m.)

Mr. Grégoire: My question is the following: In the course of his remarks the hon. member for Yukon claimed it would be useful to have only one authority in this fight against crime in Canada. Was it his feeling that the provinces should withdraw from the authority they now have and let everything be done by the R.C.M.P.?

Mr. Nielsen: I do not mind answering that question very briefly. My view is that the war against organized crime must be given national direction. This can only be done by clothing a national police force with the authority to operate in an organized way, and provincial authorities must co-operate to the extent necessary to make this possible.

Mr. Matheson: One of the matters which is of the greatest concern to us in these estimates is that raised by members of the Official Opposition and supported by members of the New Democratic party with respect to what is now called the Spencer case.

I believe one question which should be answered is this: Who dismissed Spencer? My understanding is that it was the Civil Service Commission, an agency not responsible to government. If Spencer has been deprived of his pension rights it is because the Civil Service Commission is convinced that, in light of all the circumstances, this is the proper course to take. If the commission was not satisfied after their inquiry, what about the 11,000 postal workers? They have not always been silent recently, but their silence in this particular case is eloquent. I submit that these loyal Canadians recognize subversion and dissociate themselves from it.

We should ask ourselves here—because the public may not be clear on this: What precisely are the provisions under which this man's employment was terminated? I refer

hon. members to section 50 of the Civil Service Act which is as follows:

(1) The tenure of office of an employee is during the pleasure of Her Majesty, subject to the provisions of this and any other Act and the regulations thereunder, and unless some other period of employment is specified, for an indeterminate period.

(2) Nothing in this Act shall be construed to limit or affect the right or power of the Governor in Council to remove or dismiss any employee.

In case Canadians may wonder whether this is something weird and wonderful and new, I think it might be useful to refer to the debate which took place on September 19, 1961 concerning clause 50 which deals with tenure of office. I read from *Hansard* of that date at page 8576.

Mr. Caron: Mr. Chairman, clause 50 introduces something which is extremely peculiar. Section 50(1) reads as follows:

The tenure of office of an employee is during the pleasure of Her Majesty, subject to the provisions of this and any other act and the regulations thereunder, and, unless some other period of employment is specified, for an indeterminate period.

Later he says:

I therefore move that clause 50 be amended by the deletion of subclause (2).

The hon. member for Carleton, the responsible minister, made this contribution, in part:

This particular subclause is merely a preservation of the over-all prerogative of the crown. It is in the existing act and it was never repealed.

Later he went on to say:

I think it is significant that the maintenance in this bill of this particular subclause which the hon. member seeks to delete was approved by all three members of the civil service commission who appeared before the special committee as witnesses. It is also significant that no representations of any kind were made in relation to it by any of the civil service staff associations. I think the hon. member is well aware of how carefully in clause 60 new provisions have been set forth dealing with dismissals and the right of appeal. This particular provision merely preserves the over-all prerogative of the Crown, one which I am sure will not at any time be abused. In view of this I shall ask the committee to reject the amendment.

My hon. friend from Ottawa West, now Minister of Public Works and leader of the house, whom I acknowledge as one of the most competent, experienced and wise persons on matters of government from the opposition bench made this interjection:

The subclause as it now stands reads:

2. Nothing in this act shall be construed to limit or affect the right or power of the governor in council to remove or dismiss any employee.

This appears on first reading to be very wide in its language and undoubtedly it is but I do not see any way of restricting that right—

He is speaking of the right of the governor in council to dismiss on the recommendation of the Civil Service Commission. The hon. gentleman went on to say:

It seems to me that a government has to be held responsible for the administration and the discharge of its duties and that in line with that responsibility there must be this power of dismissal.

Later, he added:

I recall a situation which developed in this country some 15 years ago in which this power was of real value to a government.

We all remember what happened 15 years earlier—the Gouzenko inquiry. I regard the exchange which I have just read as being one typical of two experienced lawyers, well versed in matters of parliament and with a thorough knowledge of the interests of the civil service. They are agreed that there must be some exceptions. I listened with interest to the speech made by the hon. member for York South. I am prepared to accept at its face value the observations made by the Prime Minister when he said:

I have examined this situation personally. I have studied all the reports, all the documents concerning this case. I have spent a good many hours, Mr. Chairman, in doing so because I know that the issues involved are important.

I accept what he says finally, by way of conclusion:

I believe Mr. Spencer's dismissal and his loss of pension rights under the law was lawful and just. I do not believe his rights as a person or as a citizen have been violated. On the contrary, I believe he has been treated with scrupulous fairness.

May I say with the utmost sincerity that had those words been spoken by the Leader of the Official Opposition or by any minister charged with this responsibility I would have accepted them as meaning precisely what they said.

Mr. Lewis: May I ask the hon. member a question? Is he saying that section 50 of the Civil Service Act means that the governor in council has the right to dismiss arbitrarily without cause and without ever having to account for his actions?

Mr. Matheson: I think it is clear that section 50 provides no limitation to the right or power of the governor in council to remove or dismiss any employee. The usual dismissal section of the act is of course section 60 which provides for notice of dismissal, the right of appeal and so on. Subsection 4 provides for cases where there is an appeal.

• (3:40 p.m.)

Subsection 5, by way of conclusion, provides that the governor in council may dismiss an employee pursuant to a recommendation under this section. What I am saying is that section 50 is an extraordinary section. I believe section 50 is important for the security of Canada. I most seriously care about this matter and I believe the Prime Minister and those charged with the preservation of security in this country care about it too.

Mr. Lewis: So do all hon. members. Do not arrogate to yourself that monopoly.

Mr. Matheson: Perhaps by way of reply I might simply say that I have here an editorial which appeared in the *Christian Century* of February 22, 1933 under the heading, "Communism Knows There is a Revolution." I believe that what is said in that editorial spells out exactly what is happening today. It may be that my hon. friend from York South does not agree, but I believe that there is a great power contest in the world, and Canada would like to see this power contest cease. We would be very happy if the confrontation could be avoided. Obviously persons who are protagonists in it are good customers and we would like to have them as good friends. I am referring not only to the Russians but also to the Chinese, and I think our external, as well as trade and commerce policies must be directed towards the end of bridging divisions in every conceivable fashion. But we are not blind, we recognize there is an ideological contest of vast proportions and that Canada, by virtue of its friendly relationship to the United States is being subjected to the most powerful propaganda campaign at this particular time. Of course, as was said we had difficulties in 1946 and no doubt pressure will continue. It is the duty of the Minister of Justice, mindful of the great burden of preserving civil liberty, to be also mindful of the preservation and security of the nation; and that preservation and security is a first responsibility of government.

Since I became a member of the house in 1961, far too often have I heard the R.C.M.P. pulled down and derided by people in the house and outside it. I believe Canadians owe an enormous debt to these people who, in many instances, remain silent, do their work for the security of all of us, and oft times are underpaid and understaffed. This is a force the activities of which are spread over the saving of lives, maritime patrol, traffic control, surveillance over narcotics,—indeed, covering a very wide range of fields. The fact that with so little offence, they have been able to accomplish so much in the security field, when we are right in the centre of a confrontation between forces, communist and west, is quite remarkable.

Mr. Lewis: Would the hon. member be good enough to indicate how the security of Canada would be endangered if there were an inquiry into the matter, by a judge or some other person, held in camera, and the result of that inquiry presented to the house and the country?

Mr. Matheson: I think there are certain facts in this case not known to my hon. friend and not likely ever to be known.

Mr. Lewis: And which would not be known if the inquiry were held in camera.

Mr. Matheson: I do not want to dilate on this point at length. We have taken a position which can easily be characterized as unpopular. However, I think it has been a responsible decision after weighty consideration of all the facts. It is not a popular decision but I would like to think we will be supported in it, just as we would support the right hon. gentleman opposite if he were faced with this problem. I think there are more things in this chamber upon which to join forces than to cause differences.

I wish now to touch on the charge of bifurcation or trifurcation of the Department of Justice. I do so because, frankly, for years I have felt that the Department of Justice was a very overloaded portfolio in the Canadian government. This was a department that called for a variety of responsibilities, in some cases responsibilities which conflicted with each other.

May I briefly summarize some of the responsibilities of the Minister of Justice before the reorganization.

1. To administer a large department charged with the responsibility of advising all other departments of government.
2. To advise as to legislation.
3. To recommend as to judicial and quasi-legal appointments.
4. To advise as to constitutional change, and to advise concerning highly complex dominion-provincial relations.
5. To administer this vast quasi-military force, the R.C.M.P., with all its diverse duties, spread across 3,000 miles of country.
6. To administer the penitentiary service.
7. To administer the parole service.
8. To administer anti-combines legislation.

9. To administer bankruptcy legislation.

If we look at this work in comparison with Ontario or the United Kingdom it shows that what has been attempted in the past is far too much for any one minister. Duties which in England would be covered through the home office, the attorney general and the solicitor general were all combined under one minister in Canada. The province of Ontario has its attorney general, a minister of reform institutions and a provincial secretary. Indeed, Ontario is presently discussing appointment of a solicitor general. I cannot help feeling that no minister of justice, because of the weight and variety of his duties, has been able to give any substantial consideration to more than one or another of these many responsibilities.

I would point out these facts, that since the final tabling of the Fauteux committee report, which you will remember was the result of the efforts of Hon. Stuart Garson and his letter of December 11, 1953, the report being dated April 30, 1956, we had as minister of justice Hon. Stuart Garson for 417 days, Hon. Davie Fulton for 1,875 days, Hon. Donald Fleming for 257 days, Hon. Lionel Chevrier for 287 days, Hon. Guy Favreau for 513 days, and Hon. Lucien Cardin for 163 days.

The point I am making is that with the complexity of these responsibilities I do not believe we have ever had a minister of justice who truly got on top of the full variety of these responsibilities.

While it may not logically satisfy all requirements I think there is a certain harmony in putting the R.C.M.P., the penitentiary service and the parole service in one packet.

This is not inconsistent with the British experience and practice. I believe the splitting of the department shows serious evidence of the concern of the government with respect to all the problems we have heard discussed today, on the one hand problems of security, and on the other hand problems of economic supervision and control.

In this latter connection I am thinking of fraudulent bankruptcy and combines legislation—legislation which, in its character, is essentially economic—

• (3:50 p.m.)

One subject that is of most concern to me—and this is because of interests I have had over 15 or 20 years—is improvement and development with regard to the field of penology. I have read carefully, after hearing it, the address of the Solicitor General. It was modest, it was factual, and as usual for him gracious in all its utterances. But to me it is eloquent in what it does not say. As you will remember, the Solicitor General in reporting to this house spoke of the size of our prison population, the overcrowding of institutions, the great need for more research in criminology, and the problem of Staff recruitment. I was disappointed, if he will forgive me, in what he said in respect of the building program. Personally I have been anxious in respect of this building program. The minister told us that during the next eight months five new medium security institutions will be opened at Springhill, Cowansville, Warkworth, Drumheller and Matsqui, the costs of which would be $40 million. I can tell the Solicitor General that there are many people who are interested in criminology and penological science who are concerned about the character of some of these proposed buildings.

Personally I think we have made some serious mistakes. I think Matsqui is a gross mistake, but also that it is an honest mistake where Canada has attempted to do something. When I look over to my hon. friend for Bow River I think that Drumheller, for many reasons, is a mistake.

Mr. Woolliams: Have you ever been to Drumheller?

Mr. Matheson: No.

Mr. Woolliams: Then how can you say that it is a mistake?

Mr. Matheson: Because it is so hard to get there is one reason you should not put an institution in that place.

Mr. Woolliams: Hard to get there?

Mr. Matheson: Yes.

Mr. Woolliams: How silly can you get.

Mr. Matheson: May I make this observation that the penitentiary at Drumheller, Alberta is being built in an out of the way place.

Mr. Woolliams: You had better go to western Canada and stop being so parochial.

Mr. Matheson: It lacks proximity to medical, psychiatric and university facilities. Difficulties will arise in helping the offender avail himself of these services. Staff may become stagnant because of a lack of access to the academic world, consultative services and other community resources. I might tell my friend, who is snickering over there, that one of the concerns of the international

penology group that met in Stockholm this summer was to site prisons in places where there would be a variety of such services. I think, for instance, of the complex which has developed around Kingston, which has excellent psychiatric and psychological assistance, good medical facilities, excellent facilities in the way of the John Howard Society and the Elizabeth Fry Society, and a school of law. Because of the psychological care which has been available to many of these institutions they have been vastly improved. I can tell you that every one of the 60 students at Queen's Theological College is undergoing constant supervision and training in the various institutions in Kingston which include the Kingston maximum security penitentiary, Joyceville, Collin's Bay, and the prison for women.

I say that with the professional and expert assistance that is available, there is as much hope for the penitentiaries here. I am not impressed by the emphasis on architecture and the building program which will cost Canadians something like $110 million. Personally I hold the view that we have far too many people in Canada in prison.

Mr. Woolliams: There are a few people I would like to see in jail.

Mr. Matheson: Perhaps if the committee will bear with me I could refer to extracts from document No. 19 of Sunday, January 23, 1966, under the directorship of Ross McLean of the C.B.C. This is called "A Sense of Captivity". One inmate said:

> You don't have to think. Everything's done for you. You sit back and sink into the weeds, you might say, and become an automat.

I am concerned about the separation of many people whom I have known in penitentiaries which I have had occasion to visit, people who have had long separation from their wives and children.

Listen to this:

> In 1960 or 1959 I had a visit from my wife. At that time the visit was over, we were leaving the visit, and she was going out to North Gate. This working crew was coming in, and one of the men stepped out of the line to grab the baby, and the copper that was walking the men he yelled at him. I said it's all right. Anyways he took the baby and held it, held the child, the boy in his arms, and you'd have to see the expression on this man's face and how sad this was! And this guy bugged me for months after till I came over here, asking me, how was the kid? Could I have a picture of your child? And this man was no degenerate, it was a normal man. Just this craving to see a child or to be able to pick up a baby again.

[Mr. Matheson.]

I happen to know of two or three cases which fall into this category. I am concerned for instance even about the limitation on the correspondence of the inmate to his wife. Here another inmate is speaking of the homosexual problem:

> I don't know, it is hard to explain. Some person needs somebody else, because if you do not have somebody you fall apart yourself.

What does Mr. McGibbon, the commentator, say:

> A prison is all the things we deny those who have offended us . . . . is a hiding place for mistakes we've made . . . problems we couldn't solve . . . guilts we can't abide . . . is an institution of last resort. When all the other institutions . . . the homes, the schools, the churches, courts and counsellors . . . have failed. A prison is a state of mind where tensions you never quite walk off remain to (haunt) your dreams.

I am concerned too about some of the statistics we find in Canada. It is clear that many of the people at the present time are going to return. In fact some people say this figure is as high as 80 per cent. Ninety per cent of those in penitentiary will one day be released. If this is so, surely the great burden is to examine ways, means, and techniques to improve what I think in many respects is an ineffectual and ineffective prison system.

May I go on with some of the comments which we heard on this recent program. Again this is Mr. McGibbon:

> Our Canadian prisons today are the price we pay for thinking that if we forget the criminal, he will cease to exist. But he will not cease to exist until we admit that he does exist and until we make it possible for him to learn to exist as a man in our free communities.

Again Mr. McGibbon:

> —in prison the need for human dignity is such a shrieking thing.

Personally I do not believe we are making proper use of our prisons. I would like to see more of the special institutions. I am pressed in this direction by the fact that I had occasion during the war, early in 1940, to be involved with a group of 125 men released from Dorchester penitentiary. For a while I could not believe how these people who came from such a place really could be much use to their country. I did not think they knew very much. But it took me just a few weeks to develop a little humility and realize these were persons, just as myself, and maybe in some respects better than myself. When I look back over that group of 125 men, it seems to me we need more of the work camp approach as a technique of correction.

• (4:00 p.m.)

I am depressed by the fact that inmates in the Canadian penitentiaries are employed for very short periods of time, in many instances only two and a half or three hours a day. Often the work is demoralizing and unproductive. It was Agnes McPhail of the C.C.F. party who years ago complained about the lack of work for prisoners. If that sounds Dickensonian I invite hon. members to read her speeches to see how absolutely right she was. I see no lack of logic in the suggestion that we should develop techniques whereby prisoners are paid for work, to encourage them and to help them to maintain their dignity. Perhaps they should not be paid full wages, but at least a portion of a wage.

I should like to see methods developed in respect of parole allowing prisoners to work hard in their special skills or at hard labour in order to decrease their period of incarceration. I am convinced that this could be done.

A year or more ago I made a proposal to the effect that we could develop our waste lands in the north through the use of prisoners who are serving time. I think back to my experience with those 125 men who learned to soldier with the first division, and how magnificent they were. I am convinced that if we used the arctic and transport equipment developed by the army, we could put these people on islands in the Arctic to develop bases, docks, landing strips and other communication facilities. It is my belief that these men would pull themselves together under such conditions and become eligible for parole, and some of them might even wish to remain there.

Here in this lovely part of Ontario I have studied by cruiser the wonderful Rideau canal system, built many years ago by Colonel By and the Royal Engineers. It is being allowed to fall to pieces in certain spots. I am convinced that inmates could perform the masonry required to repair this canal system. Surely this would give people in penitentiaries some encouragement to rehabilitate themselves. This whole idea might sound fanciful and ridiculous, but I do not believe that it is.

Perhaps these ideas sound logical to me because of my regular participation in the deliberations of inmates, many of whom I find are not very different from the members of my own family and my friends. Some of them have had far less in the way of privileges, while some of them, I agree, are vicious, psychotic and dangerous requiring permanent custody. If we in Canada are deeply concerned about civil rights and the rights of individuals we should start by studying what is happening in our prisons.

I have been impressed by the work that Isabel Macneill has done at Kingston.

The Deputy Chairman: Order, please. The hon. member's allotted time has expired.

Some hon. Members: Carry on.

The Deputy Chairman: Does the hon. member have the unanimous consent of the committee to continue?

Some hon. Members: Agreed.

Mr. Matheson: I am very grateful to my hon. friends for permitting me to continue for a few minutes longer.

Isabel Macneill, as so many of you will remember, came from the maritimes from a fine old Halifax family. Many will remember that she commanded the Wrens during the war. What she has done in the area of penal reform has increased penological science. I should also like to refer to Rev. J. A. Nickels who stands high in the services being carried out at Kingston penitentiary.

Mr. Groos: Hear, hear.

Mr. Matheson: I note that my hon. friend remembers him as the padre of his frigate some years ago. These two fine individuals have done a great deal for the penitentiaries they have served. Let me quote what Isabel Macneill has said:

> Prison itself . . . is the punishment and everything that happens after admission . . . should be geared to re-education—

She has suggested that 60 per cent of the girls now in prison have been convicted under narcotics charges. Let me present very briefly the impressions of one or two of these inmates. One states:

> My first night here I couldn't even sleep because all I could see was the bars, you know the reflection of the bars on the wall and uh . . . it made me cry in fact I cried half the night.
>
> I don't think it could be described really. It's just three walls and the bars, a floor and ceiling and a bed.

Another inmate states:

> I'm in my 50's and there are other around in this age group, and I'm learning more about crime than I'll ever learn in my life. I don't know whether this is important for my rehabilitation.

I think it is about time we got some of those people out of those maximum security prisons into open prisons.

Mr. Nielsen: Mr. Chairman, would the hon. member permit a question? I note that the

hon. member for the Northwest Territories is in his seat, which prompts me to ask the hon. member for Leeds whether he has consulted with that hon. member about his idea to send these convicts to the north, and whether the hon. member for the Northwest Territories is in agreement.

Mr. Matheson: I have discussed this idea with several hon. members. I have discussed it with other people who have been involved in the exploration and development of the north. I am not suggesting that many inmates should be sent to the north. Perhaps I should explain my proposal. It is my belief that men who are physically fit should be allowed to volunteer as members of crews to be moved up to the north by aircraft—travelling with light equipment, sleeping in tents, in an effort to further develop these waste areas.

The men who could stick out this kind of existence would be far better off than living in a small cell. I have discussed this with other individuals and I am sure there are a lot of young men in our institutions in excellent physical condition who would be delighted to be given an opportunity to work amid the glories of our northland. I have had the opportunity of visiting the north, particularly during my university days. I am sure this program would give these men a challenge and would help them change their whole attitude.

Mr. Chairman, I wanted to say a good deal more about this subject, but I will not at this time as I am sure there are other members who wish to contribute to the debate. In concluding let me say that I do agree with what has been said by Alan Peyton, a prison superintendent. He said:

> An offender must be punished, I don't argue about that; but to punish and not restore, that is the greatest of all offences.

We are spending far too much money today to keep each man serving time in a penitentiary. I suggest the maintenance cost runs between $2,700 and $3,000 per year. To that figure one must add an additional $2,000 paid in support of many prisoners' families. I suggest if we have that kind of money to spend we should spend it in ways which will encourage these people to rehabilitate themselves. As Walter Scott said, "It's no fish ye're buying, it's men's lives". There are many fellow Canadians who are still obscurely fighting the last fight of virtue, still clinging to some rag of honour, the poor jewel of their souls. They need our help.

[Mr. Nielsen.]

I believe we have much to do and I am grateful that the Prime Minister has seen fit to reform and reconstruct the justice department in order that we should pay real attention to crime in all its aspects, including the rehabilitation of prisoners.

Mr. Alkenbrack: Mr. Chairman, I will be very brief this afternoon. I wish to refute the suggestions made by the hon. member for Leeds who recommends that dangerous convicts should be taken out of maximum security and set free in the north. I want to point out the folly in the hon. member's suggestion that we should use inmates in public works for the repair or construction of the Rideau canal and other projects in Canada. Public works should continue to be done on contract by the lowest bidder.

After listening to arguments about civil liberties and justice I want to point out a strange paradox that exists. The government is not inspiring confidence on the part of the public through their policies. According to the Prime Minister and the Minister of Justice this man Spencer is under continuous surveillance in spite of the fact there has been no trial or inquiry into his alleged actions. On the other hand, the inmates in our penal institutions who have been tried and convicted should be kept under surveillance and enforced security, yet this is not the case.

• (4:10 p.m.)

Therefore we may deduce that there are civil liberties and penal liberties, apparently. This situation should not exist in the sense that has recently been demonstrated. I refer to the recent prison break from Collin's Bay penitentiary. This break took place on Wednesday, February 9, when four dangerous men were successful in escaping from that institution. It has been said around Parliament Hill and the area from which I come that it is now easier to get out of a penitentiary than it is to get in.

My constituency is adjacent to Kingston and the institution there. The people in the area of Bay of Quinte, Kingston and the upper St. Lawrence are very concerned about these prison breaks and the security in our institutions. Security in our penal institutions should at all times be beyond criticism and must indeed be constant and rigidly enforced.

I would refer to the questions I placed on the order paper and point out that they have been there long enough for answers to be

given. I waited a reasonable length of time after the recapture of these men before asking these questions. The first question is to be found on page 82 of the order paper and was lodged with the government on February 15:

Has there been a special inquiry into the factors and/or persons contributing to the prison break of three dangerous prisoners from Collin's Bay penitentiary on Wednesday, February 9, 1966, who were later captured near St. Catharines and, if so, will the government report to the house the findings resulting from this inquiry?

Until I get answers to these questions I must assume that the attitude of the government to this matter is negative. I understand that the prison staff were forewarned of this break. If this is so there is absolutely no excuse for this lack of security and carelessness.

The fact that vigilance was at the time not practised or performed by the guards closest to the escapees set off a chain of events that is most regrettable and in fact can never be corrected. I understand that most of these prisoners were nearing the date when they would be eligible for parole. What a sad case this is. Their action has terminated the chance of their ever being paroled. They have ruined their lives by their actions and will now serve the original sentences plus an additional, appropriate term for breaking out of prison. Moreover, they have grievously jeopardized and harmed the life of their innocent female victim. I refer to the woman they captured, robbed, tortured and in fact are alleged to have criminally assaulted. All this damage was done because security, vigilance and the action we require from guards in these circumstances was absent or was not performed. I understand that the rifle of one of the guards would not fire. In this connection, Mr. Chairman, I would quote my question that appears on page 93 of the order paper. This question was lodged with the government on February 18:

With respect to the recent escape of prisoners of the Collin's Bay penitentiary, was the utilization of one of the rifles issued to a guard impeded by grease on the bolt?

This question concerns the public of this country who deserve and expect protection. My next question was:

Do guards at penitentiaries have daily inspection of their rifles and, if not, what is the reason?

Then I asked:

Is it mandatory that penitentiary guards shoot in order to prevent an escape of a prisoner or prisoners and, if not, what is the reason?

We were informed that one guard did not, would not or refused to shoot at the escapees. The question is, why? This is a very serious question, Mr. Chairman. We are dealing with the basic element, the real meaning of government, the protection of persons and property. I for one, and I believe all hon. members will not allow this principle to be weakened.

In summing up my point, Mr. Chairman, I would say it is evident to all hon. members that the level of security in this penal institution has been lowered or at least is of a variable nature. This has been demonstrated by the regrettable incident to which I have referred. I ask that this matter and all matters pertaining to penal security, the action of guards, the rules and the enforcement thereof in our penal institutions as they apply to vigilance and the full practice of strict enforcement of security, be referred to our standing committee on justice at the earliest possible date.

Mr. Gilbert: Mr. Chairman, I should like to preface my remarks by adding my congratulations to the Solicitor General upon his appointment to this portfolio and for his forward-looking approach with regard to penal problems and their solutions. I also extend my best wishes to the Minister of Justice in the difficult job he has ahead, and agree with the government that it was necessary to separate the numerous departments that were previously within the jurisdiction of the Department of Justice. I thought that any remarks I made this afternoon would be anti-climactic to those of the hon. member for Yukon, but I notice he is adopting a legal ploy and is trying to get as much information as he can from the government before making a frontal attack.

I direct my remarks to the ever-increasing problem of bankruptcy and state categorically that the Canadian public and in particular the Canadian businessman is amazed and shocked at the inaction of government with regard to amendments to the Bankruptcy Act which are necessary to deal with fraudulent company and personal bankruptcies. There has been no revision of the act since 1949, in spite of active interest by concerned groups in the business community. My hon. friend the member for Greenwood the other day set forth the many organizations which have presented briefs to Ministers of Justice and in regard to which no action has been taken. For example, a very full brief from the Board of Trade of Metropolitan Toronto was submitted in 1961 and in 1963 a full brief was

submitted by the Institute of Chartered Accountants. Then in 1965 we had the Mercier report which dealt with fraudulent bankruptcies in Quebec as they affected the Department of Revenue of that province.

In addition to these briefs there have been numerous articles in periodicals and newspapers concerning the probems of bankruptcy. I refer to an article under the dateline Friday, February 4, which appeared in the Toronto *Daily Star,* written by Alastair Dow who reports a speech by Mr. Biddell, the President of Clarkson, Gordon and Company, one of Canada's largest firms of bankruptcy trustees. This article reads:

> Bankruptcies, he said, have grown from "a minor problem to a national disgrace" since the last time the Bankruptcy Act was revised, in 1949. He added that the tendency of government is to ignore the problem, to sweep it under the rug . . .
>
> Biddell came from a modest family, and he says it agitates him to rub shoulders every day with people who have taken a financial beating because of bankruptcy abuses. He has seized upon his mission also because of the inaction of government.

• (4:20 p.m.)

> "If there's anything that motivates me, it's people who won't move to solve a problem".
>
> The problem, as Biddell sees it, is far from insurmountable. "It wouldn't be difficult at all to revise the Bankruptcy Act.
>
> "This isn't going to be a one-shot war. You have to change laws to fill the loopholes as people get smarter, the way the Income Tax Act is frequently revised. It's about time we got started on the Bankruptcy Act".
>
> The day is long past when bankruptcies could be considered a private matter between debtors and creditors.

This indicates the attitude of the president of one of the largest firms of bankruptcy trustees in the country. Added to that is the growing number of bankruptcies that have taken place in the last two years. At page 27 of the brief submitted by the Canadian Institute of Chartered Accountants in October 1963 the following statement appears:

> From the point of view of government responsibility, bankruptcy is big business. The administration of the Superintendent's Department in 1961 included the supervision of the administration of some 3,876 estates with estimated liabilities in excess of $157,000,000.

That was in 1961. In 1963, according to the January issue of the Canadian Credit Institute publication:

> The number of bankruptcies and resultant defaulted liabilities have been growing at an alarming rate and amounted to 3,677 commercial failures and $196 million in defaulted liabilities in 1963 compared with 1,303 and $25 million respectively in 1950.

According to Dun and Bradstreet, they have calculated that 2,597 businesses went broke in 1965, leaving a trail of debts totaling $175,855,000. So you can appreciate the growing increase in the number of bankruptcies from 1950 to the present day.

One might ask, why this great increase in the number of bankruptcies? I think it is the duty of members to find the reasons for this, and I hope to offer constructive criticism. I think we have to look at the classes of persons involved, and their attitudes, to determine just what are the reasons for these bankruptcies.

The first class of person, Mr. Chairman, would include the previous minister, and perhaps the present minister, and their attitude toward the conduct of bankruptcy matters. I think the attitude that suggests that the provincial government is primarily responsible for enforcement of the administration of justice in connection with criminal activities under the Bankruptcy Act, and that they only are responsible for the supervision of trustees, is a wrong attitude to take. I suggest that the problem should be tackled on the same level as we tackle problems under the Combines Investigation Act.

I suggest that we should set up a separate department to investigate these allegedly fraudulent bankruptcies, a department staffed by men with experience in accountancy and company law. I also suggest we retain special counsel to prosecute the cases. This is done in the case of combines investigation, and although there could be many criticisms of it I think that the same practice should be followed.

I am sure that the Minister of Justice would agree he is having difficulty in the province of Ontario persuading the Attorney General of the province to set up a separate department to investigate these bankruptcies. I understand there is reluctance on the part of the Attorney General to appoint someone separate and apart to investigate these allegedly fraudulent bankruptcies. At the moment, my only knowledge of any investigations in Toronto are those conducted by two members of the fraud squad of Metropolitan Toronto who are not experienced enough in corporate law relating to fraudulent bankruptcies to be very familiar with the subject. The crown attorney in Toronto, because of shortage of staff, is very reluctant to let one of his assistant crown counsel devote his full time to processing these fraudulent bankruptcy cases. It is public knowledge that these cases take a minimum of four to eight weeks to process.

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

Mr. Gilbert: Certainly.

Mr. Nielsen: Is the hon. member aware of the provisions of section 3(5) of the Bankruptcy Act, which sets forth that the superintendent of bankruptcy, federal office, may engage such accountants or other persons as he may deem advisable to conduct any action outside of the office of the superintendent?

Mr. Gilbert: Yes, I am familiar with that provision. I am also familiar with the fact that the Minister of Justice has not taken appropriate action under that provision. I am just dealing with what happened in Toronto, Ontario, in regard to the fraudulent bankruptcies that occurred in that area. So here you have an Attorney General reluctant to appoint somebody to conduct an investigation. You also have two men on the fraud squad who are inexperienced in these intricate matters; and you have the crown attorney for the city of Toronto unable to let one of his assistants devote his full time to the subject.

I would agree with the hon. member for Yukon that what is really needed is an investigation of these bankruptcies on a national scale by the R.C.M.P. You need officers from the R.C.M.P. as well as accountants and lawyers familiar with company law. You need that type of person, rather than having to depend on various branches of provincial administration. That would be my respectful submission, Mr. Chairman, to the minister in connection with this problem. The second reason for the difficulties in bankruptcy has been the improper actions of the trustees. In some areas it would appear that competition between bankruptcies and proposals has brought about practices which involve virtual collusion between debtors and the trustees they employ, which is against the interests of the creditors. To strengthen that point I should like to read briefly from the Mercier report, wherein is set forth the actions of some of the trustees in Quebec. I would suggest that the same comments could be applied to the actions of some of the trustees in Ontario.

• (4:30 p.m.)

This is on page 11 of the Mercier report:

In virtue of the provisions of the Bankruptcy Act, the trustees represent the interests of the creditors and nearly all their powers are conditioned by the approval of the inspectors appointed by the creditors. It was shown that, in practice, certain trustees are the "potentates" of the quasi-totality of the bankruptcies which they administer. Because of their extensive knowledge in bankruptcy matters, they usually manoeuvre the unsuspecting inspectors as if they were puppets. In many instances, it was established that certain trustees had cleverly arranged the appointment of one or more of the inspectors. It is all so easy that the creditors and inspectors in good faith showed a disinterest that the Commission has already brought to light.

Amongst the many grievances lodged against the trustees during the inquiry, the Commission held the following: To begin with, there is the conflict of interest. On this point, it seems necessary to remember that in many instances of assignment or proposal, a conflict of interest is found between the trustee, who acts for the bankrupt and who is in fact his client, and the creditors whom he has the obligation to protect.

Then I continue:

In a number of cases, the trustee was paid his fees in advance from the bankrupt or obtained a bond; this situation presents itself particularly in summary matters where there are practically no assets. There is a real conflict since, for the trustee, it is no longer a question of protecting the creditors but of liberating a debtor.

The report goes on at page 12:

By incidence, it was noted that a number of trustees were more or less in the "business" of bankruptcy, and, in order to administer their offices with all the disbursements involved, they need a flow of bankruptcies. In order to effect this, many saw the advantage of maintaining good relations with the debtors rather than with the creditors.

On page 13 the report continues:

In many cases, it was noted that money, which was supposed to have been distributed to the creditors as dividends, was retained in the bank, without valid reason, for a considerable period after the settlement of certain bankruptcies.

Then the report takes a slash at some members of the legal profession. It says:

Testimonies, including one by a member of the bar, revealed that it is current practice, for certain trustees, to require and receive hush-money from lawyers representing the interests of secured creditors or of bidders promising in return not to oppose proceedings taken by the latter. It was also observed that certain representatives of trustees are using blackmail in order to obtain certain advantages or interest in the businesses which are operating under proposal.

These are some of the allegations which have been made against the conduct of trustees. I would ask the minister to strengthen the office of superintendent with regard to the issuance of licences and the conduct of these trustees.

The same comments could be applied to a third class, being the class of inspectors.

Again, the Mercier report sets forth the condemnation of the actions of inspectors, consisting in many cases almost of direct collusion or acquiescence in the actions of the trustees.

Another class which I think deserves criticism and reform is the class of finance companies. At page 16 of the Mercier report it says:

> We should mention that the practice of several finance companies, to realize their security without accounting to anyone, does not seem to satisfy the elementary exigencies of equity towards the creditors, specially after taking cognizance of the facts discovered by the Commission during the inquiry, when it has been established that the agent or mandatory of a finance company, charged with realizing the security, was none other than an individual of doubtful reputation having been involved in rings of fraudulent bankruptcies.

In order that bankruptcy companies should be brought to the attention of the minister—

Mr. Cardin: I am reluctant to interrupt the hon. member. I find his speech very interesting. I wonder whether the hon. member might be able to tell the committee what he has in mind when he speaks of fraudulent bankruptcies.

Mr. Diefenbaker: Does the minister know?

Mr. Cardin: Yes, I know.

Mr. Gilbert: I appreciate the remarks of the minister. I would ask for his indulgence until I come to that. I shall reach that point in a very few minutes.

The fifth class with regard to problems concerning bankruptcies may be laid at the door of the superintendent's office. In the brief of the Institute of Chartered Accountants, at page 28, there is a short list of the criticisms that I would ask the minister to take into account. The brief says:

> The following alleged criticisms have been made covering the administration of the Superintendent's office:
>
> (i) There is undue delay in the approval of trustees' final statements which seriously delays the closing of estates and the distribution of dividends often urgently needed by creditors.
>
> (ii) The duty of the Superintendent to conduct investigations into fraudulent bankruptcies has not been carried out.
>
> (iii) Licences have been granted to trustees who have failed to administer bankrupt estates in the best interest of the creditors.
>
> (iv) It is the practice, in at least one major bankruptcy jurisdiction, for the official receiver to insist that he or a member of his own staff act as the chairman of every meeting of creditors. Many of these meetings are called at the same hour with the same chairman, thereby effectively denying creditors their due right to be heard.

[Mr. Gilbert.]

These are some criticisms that I think are valid. I would ask the minister to pay close attention to them.

Having dealt with certain classes of persons that I think are directly implicated in the administration of the Bankruptcy Act, I would now direct the Minister of Justice to some of the areas that have been neglected. The first area, as we are all aware, is the area of fraud. Fraud is a very complex matter, and at times it is very difficult to distinguish between fraud sufficient to warrant a criminal action, and fraud, which means unethical business operations. The brief of the Canadian Institute of Chartered Accountants sets forth this problem, and sets forth some of the activities that the operators have conducted, with regard to their fraudulent activities which, in the majority of cases, have been with regard to corporate companies.

Doctor Galbraith, in his book "The Affluent Society" says "As more goods are produced and owned, the greater the opportunities for fraud and the more protection of property is required". If law enforcement services do not keep pace with this protection we may be certain of increased crime.

Coming directly under one of these problems with regard to fraud are transactions between persons or entities which do not deal with one another at arm's length. The present act does not generally deal with these problems. Legislation in 1949 was developed to serve the needs of unincorporated companies. However, we now recognize that most of the business in this regard is carried on by corporations.

The main problem in this connection is where a number of companies owned by one shareholder or by the same shareholders collaborate together in a business enterprise in such a manner that one of the companies acquires most of the liabilities and the other company in the group comes into possession of most of the assets. Then the company with the liabilities is allowed to go into bankrupt-the liabilities is allowed to go into bankruptcy.

• (4:40 p.m.)

The second situation occurs where the shareholders of the company withdraw their investment, either by the way of dividends, share redemptions, or repayment of loans, leaving creditors unpaid.

A third situation arises where creditors who do not deal at arm's length with the debtor legally establish substantial claims

against the debtor and are in a position to enforce their wishes on the rest of the creditors either by bankruptcy proceedings or the appointment of inspectors, or in any proposal that may be made by the debtor.

So we are faced with three classes of problems.

Mr. Nielsen: That is only a partial list.

Mr. Gilbert: As the hon. member for Yukon has said, it may be only a partial list. However, I believe the institute has brought forward recommendations which are well worthy of consideration. One of them is that there should be an amendment of the act with regard to the definition of a related person. They recommend that we incorporate into the act the provisions set out in section 139 subsections (5) and (6) of the Income Tax Act to stop this practice of placing all the assets in one company and all the liabilities in another.

The second suggestion relating to persons who are not dealing at arm's length is that any conveyances to persons who are not dealing at arm's length with the debtor should be considered fraudulent if they are made within a period of 12 months rather than within a period of three months as set forth under the present act. The third recommendation relates to persons who are not dealing at arm's length being unable to vote with regard to a proposal set forth by the debtor, unless it is to vote against the acceptance of that proposal. These are all matters of which we should take immediate cognizance. Legislation should be brought down forthwith to amend the act accordingly.

The second area to be considered is the area of proposals which a debtor makes. In this field there have been many abuses. Those most frequently complained of by creditors are that many debtors lodge proposals with the trustee without the means or even the intention of carrying them out. It is alleged that in many instances the purpose of such frivolous proposals is merely to enable the debtor to use the stay of proceedings obtained thereby in order to dispose of his assets to the detriment of his creditors.

Many debtors are assisted in such a scheme by the absence of any direct responsibility on the trustee acting in the proposal to control the debtors' assets. Again, the brief sets forth methods whereby actions of this type could be controlled.

The third recommendation relates to the re-organization of the superintendent's office. Some of the recommendations set forth are as follows: 1. The appointment of an assistant deputy minister to the superintendent of bankruptcy. It is high time such an appointment was made. 2. The appointment of three assistants to the superintendent of bankruptcy whose duties would be to supervise the activities of registrars, official receivers and trustees; investigations of bankruptcy frauds and the processing of trustees' statements. I am sure the hon. member for Yukon would agree that in the past one of the problems has been that the burden of investigations has usually fallen upon the shoulders of the creditors rather than their being any active participation by the minister and his staff. This has been a most serious problem. Here again I agree with the hon. member that it will take a national force to combat the situation facing us today.

Mr. Nielsen: Would the hon. member permit a question? Again I would refer him to subsection 5 of section 3. The expense of paying accountants and other persons to engage in these investigations is payable from the appropriation of the office of the superintendent of bankruptcy. If the minister had been exercising the authority granted to him the cost would have been paid in this way and there would have been no need for it to fall on the shoulders of the creditors. That is, if the minister is doing his job.

Mr. Gilbert: I think the hon. member is again underlining the need for immediate action by the minister to advise the superintendent to look into these matters regardless of the expense, because he has the authority to do so under the act. I agree most heartily with that.

A final area in which this problem has arisen is that of personal bankruptcies. There has to be a new approach to the question of personal bankruptcy—a new attitude toward persons whose income is derived from salaries or wages, who have incurred large debts by overspending and who then find the present procedures an easy way in which to avoid the repayment of their debts. We must discover a method of ensuring an orderly payment of a bankrupt's debts, under budgetary control and supervision, in order that the debtor may repay his creditors 100 per cent. What I am saying is this: We need to take stronger action with regard to company bankruptcies, but we must also take a hard look at the activities of individuals who are taking advantage of the present provisions of

the act in order to avoid the repayment of their debts. I believe the Canadian public and Canadian businessmen in particular demand immediate action for the protection of all Canadians to restore confidence in the business world and to give strength to the enforcement of the law.

Mr. Diefenbaker: In the ten minutes or so remaining, it will be quite impossible to deal with the variety of subjects which warrant consideration. I have sat here throughout the debate waiting for the Minister of Justice, or one of the other ministers who now share the throne of justice, to rise and explain themselves with regard to the matters which have been referred to with such clarity again this afternoon, not only by members of the official opposition but by the hon. member for York-Humber who spoke as a Liberal supporting the government. His speech, I should have thought, would have been answered.

I wish to refer to the Spencer case. I was not here when this subject was discussed in the house the day before yesterday. But I say at once that the decision not to hold a judicial investigation into this matter is a gross perversion of the elementary principles of freedom. The excuse which is given, namely that the security of this nation would be interfered with, is simply a smokescreen, and nothing else.

This man has been pilloried before the Canadian people. He has been given no opportunity to answer. His name was spread across the nation by the minister, in a totally unjustified way, and it is now stated after all this cloak and dagger drama that he is not complaining. Well, that adds to questions that arise. Why? Across this nation people are beginning to wonder whether there is something behind this case that has not been revealed.

• (4:50 p.m.)

I do not have the time now to refer in detail to the press release of May 8, issued by the Department of External Affairs, but I shall do so on an appropriate occasion. It should be read and reread. It either meant something, or this particular case happened to arise at a time when something had to be brought up in order to cover up the revelations that were being made in the Rivard case.

From time to time it happens that security is undermined, but never before has a man been identified with a government failing to act. Why? Is there any reason to believe that if Spencer speaks his threat will be implemented to the effect that heads will roll, or heads will swim? If there is not, then why not an investigation by judges, in secret if you will, allowing them to make their report? Otherwise I can only say that the Bill of Rights has been entirely denied—every principle of it.

What is the government covering up? Nothing, the minister says. If it has nothing to cover up why not have a judicial inquiry into this matter? That is the same kind of answer as the hon. gentleman's predecessor gave on November 23, 1964 when the hon. member for Yukon was speaking, and the former minister of justice said, "It is lies," and then within an hour admitted that he knew previously, and it was true.

Mr. Favreau: Mr. Chairman, on a question of privilege—

Mr. Diefenbaker: The hon. gentleman can make his question of privilege afterwards, if he wants.

Mr. Favreau: I am not going to let the right hon. gentleman continue in the way which he has started now.

[*Translation*]

On November 23, 1964, when the hon. member for Yukon (Mr. Nielsen) rose to deal with a certain file that had been brought to his attention—

[*English*]

Mr. Diefenbaker: Mr. Chairman, this is not privilege. He is going to make the speech he ought to have made, and made over and over again.

The Acting Chairman (Mr. Richard): Order. I would ask the President of the Privy Council to make his point of privilege.

[*Translation*]

Mr. Favreau: Mr. Chairman, my question of privilege is that I did not have to retract and what the hon. member for Yukon said then was inaccurate. I said he had lied when he said that one of the persons who had committed an offence against the Criminal Code was in my office. He was wrong.

[*English*]

The Acting Chairman (Mr. Richard): Order. I suggest to the President of the Privy Council that if he disagrees with the allegations being made at the present time by the Leader of the Opposition that he should have the opportunity to reply afterwards.

Mr. Diefenbaker: Mr. Chairman, we have been waiting for that explanation since November 1964, and I look forward to hearing the explanation because he said, "That is a lie."

Mr. Favreau: Well, it was.

Mr. Diefenbaker: And it was not, and the hon. gentleman at that time misled the house.

Mr. Favreau: That is a lie.

Mr. Diefenbaker: I want to be perfectly clear. Now we are again getting the same kind of answer in connection with Spencer. This afternoon the hon. member for York-Humber spoke the language of wisdom when he asked for action in this regard, but the government sits quiet. Why? Whose are the heads? Where are the heads that are going to fall or to swim? Spencer does not object. I would like to have the opportunity of examining Spencer and finding out what happened here, because it is a strange thing that he does not object. But he says if anybody dares do anything something is going to happen. I will come back to that next week. I thought this afternoon we would be able to get through, that the minister would get up and answer, but I can tell him and those associated with him that until this is answered we have a responsibility.

I now wish to deal with another matter in the few minutes remaining at my disposal. I have overwhelming respect for the R.C.M.P. I have said that before, and down through the years. I have known them since the days of the Royal Northwest Mounted Police. But we have had the Rivard case, we have had the views expressed by the chief justice. If there is one thing above everything else that must be maintained it is that not even by way of suggestion may the mounted police, shall the mounted police, or dare the mounted police be used for anything that savours of the likelihood of politics, and they are being put in an impossible position by this government.

The commissioner of the mounted police ought not to be rushing into print. He ought not be the one who rises in defence of his force. That is the job of the minister. The commissioner ought not to be writing letters to the papers, and I am thinking of the letter that he wrote on November 25. No commissioner, however distinguished his record, in the past ever followed the course of writing the letter which the present one wrote because of an article which appeared in the *Globe and Mail* of July 8, and which stated:

> The short, easy-going lawyer from Sorel, Quebec, moved smoothly and swiftly yesterday into the political hotseat of the Pearson administration, the justice portfolio.
>
> Without waiting for the official swearing-in ceremony, Canada's new justice minister, Lucien Cardin, set up a meeting with R.C.M.P. Commissioner George B. McClellan.

It went on to say:

> Commissioner McClellan and the force have been subjected to increasingly heavy public and private criticism in recent months, especially since the publication of the Dorion report which censured the R.C.M.P.'s handling of the investigation of charges of attempted bribery and influence-peddling in the Lucien Rivard affair.
>
> The two men met privately in Mr. Cardin's old office shortly after the former public works minister was sworn into his new job by Governor General George Vanier at Government House.
>
> Mr. Cardin described the meeting as informal. "I don't like formal meetings," he explained.

That was in July, and on November 25 a letter appeared from the commissioner. I am not admonishing for what was done. I am pointing out that this kind of thing will grow if a government does not scrupulously assure that the R.C.M.P. shall not be in any way held to come under the scrutiny of those who have political purposes in mind. The commissioner wrote this letter:

> I have listened with interest recently to your radio advertising campaign stressing the accuracy of *Globe and Mail* news coverage.
>
> In this atmosphere, you may wish to have a few words with the writer of the attached article (regarding an informal conference between Mr. McClellan and Lucien Cardin) which appeared in the *Globe and Mail* and which is completely false. No such meeting took place between the Minister of Justice and myself as described by your reporter.

And this is signed "George B. McClellan, Commissioner, R.C.M.P., Ottawa."

It ends up with an editorial note at the bottom saying:

> The source of the information in the article referred to was Mr. Lucien Cardin, the Minister of Justice.

I am simply pointing out that the mounted police must be preserved meticulously and courageously from the kind of thing that has been creeping in during the last couple of years, and it is on that I want to speak when the opportunity comes again.

• (5:00 p.m.)

Mr. Cardin: Would the Leader of the Opposition permit me to make one clarification?

Mr. Diefenbaker: Yes.

Mr. Cardin: Shortly after the article had appeared in the *Globe and Mail* I telephoned

the editor of the *Globe and Mail* to tell him there had been an error in the reporting of this incident.

Mr. Diefenbaker: My point is simply this; the commissioner should not have written this letter. It should have been your responsibility as minister. That is exactly the point.

Progress reported.

AGRICULTURAL STABILIZATION

DEFICIENCY PAYMENTS ON CUMULATED REGIONAL PRICE BASIS

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale) moved the second reading of Bill C-11, to amend the Agricultural Stabilization Act (Hog and Egg prices stabilized half-yearly and regionally).

He said: Mr. Speaker, my bill is not a bill in respect of which heads will roll, but instead where eggs are rolling. I think the bill as outlined is one by which, in the opinion of this house, the government should give consideration to amending the Agricultural Stabilization Act to:

(1) provide deficiency payments for eggs, hogs, etc., on a cumulated regional price basis rather than on a national weighted average price;

(2) have these deficiency payments made semi-annually instead of annually as at the present time.

In the explanatory notes it is explained that the purpose of this bill is to provide that the Agricultural Stabilization Board shall establish the base prices for hogs and eggs at and for every half-year instead of every year. A second purpose is to provide that these prices shall be determined regionally instead of Canada-wide and applied within the appropriate region: that is, the Atlantic provinces, the central provinces, the prairie provinces and British Columbia.

Mr. Speaker, I welcome the opportunity to introduce this resolution for debate. This is not the first time I have placed this resolution on the order paper. It had been debated before without result or action taken by the government, although it is of great importance to the egg producers and hog producers of Canada, particularly to the prairie provinces.

You will notice in the motion, Mr. Speaker, that it provides deficiency payments for eggs and hogs on a cumulated regional price basis rather than on a national weighted average price.

[Mr. Cardin.]

I suggest that these deficiency payments be made semi-annually instead of annually at the present time. This is very important to the egg producers in the three prairie provinces, because when the weighted average price in Canada is calculated, the producers never receive a deficiency payment that is anywhere in line with the over-all price plus the deficiency payments received in other areas of the country.

To justify my argument I should like to give hon. members an example of the year 1964-65. The statement was made that the price support for eggs will be continued another year at the present level, the federal agricultural department has announced. In the year ending next September 30, the Agricultural Stabilization Board will support the price of grade A large eggs by a deficiency payment program at a national weighted average of 34 cents a dozen to producers.

The statement goes on to say that in the 1963-64 period, the national average price amounted to 32 cents a dozen, resulting in a deficiency payment of .02 cents a dozen to producers. The maximum for a deficiency payment, according to the Agricultural Stabilization Board remains unchanged—4,000 per producer.

This covers grade A extra large, grade A large, and grade A medium sizes. The program this year, however, provides that payments shall not be made on quantities of eggs that would result in payments of less than $2.00 per individual. To be eligible for payment producers must be registered with the stabilization board and must have marketed their eggs either through registered grading stations or to retail outlets as producer-graders.

In 1965 during the month of May on the prairies the price received for grade A large eggs averaged 17 cents to 19 cents per dozen, but at the same time in the east the average price received by the producers during this period was 35 cents. In Victoria and Vancouver it was 31 cents to 32 cents, and in Toronto and other cities it was as high as 35 cents.

• (5:10 p.m.)

Also for the record I should like to give you an example of another year. In 1962 when the average price in Canada was 33 cents per dozen, at the end of the year the stabilization board calculated that the deficiency payments for that year would be one cent per dozen. One cent per dozen for grade

A large was received right across the country, but in Saskatchewan the average price for the year was only 28½ cents per dozen. If the price had been calculated on a regional basis, the producers on the prairies—Manitoba, Saskatchewan and Alberta—would have received 5½ cents per dozen deficiency payment bringing the price up to 34 cents, which was the board price. Instead of that they received only one cent per dozen because the average national price was 33 cents.

This in my opinion was unjust as far as the producers in the three prairie provinces are concerned. It is my opinion that deficiency payments should be calculated on a regional basis, and I would establish the regions in this way: B.C. one area, the three prairie provinces another area, eastern Canada a third area and the maritime provinces a fourth area. Deficiency payments should be calculated on a semi-annual basis because there are times of the year when the production is very high and the prices are low. There are other seasons of the year when prices are high and production is low.

This same suggestion should be applied to deficiency payments on hogs. As far as hogs are concerned, this matter may be more important than it is in respect of eggs. Everyone knows that in the fall when the farmers bring their hogs to the market prices are usually down. The farmers who are able to market their hogs in the spring always get a little better price. If deficiency payments were made on a semi-annual basis it would mean that whatever deficiency payments were paid to the farmers who received low prices for their hogs in the fall would be cancelled out by the higher prices received in the spring.

This is a very important issue to the farmer. Promises were made by all parties during the election campaign that this matter would be looked into. Proposals have been advocated by farm organizations across the country and I think it is time that the government paid attention to this situation and amended the stabilization act.

At the present time the stabilization board makes these payments from October 1 to September 30. That is the year for the calculation of these deficiency payments and that is the year in which prices are averaged.

I am aware of the stand taken by the stabilization board. This is not the first time I have presented this case to the minister. In a memorandum issued by the stabilization board on regional price supports they argued that if deficiency payments were calculated on the basis of the difference between regional prices and regional support levels such a procedure would not provide over the years any significant benefit to the producer. They stated that, in general, regional support levels based on a ten year average for the regions would vary between regions during the support year. Thus payments would be essentially the same as those that might be made under a national program.

In addition the stabilization board suggested that such a policy would present many administrative difficulties, as it would doubtlessly lead to a proliferation of regions since our normal geographic and provincial boundaries do not, of necessity, coincide with marketing areas. It is my opinion that that is the biggest reason why the stabilization board is opposed to this idea. The problems associated with the selling in one region of commodities produced in another would make such a program almost unworkable, according to the board.

I cannot agree with this viewpoint. I think the administrative difficulties could be overcome and that the board's assumption that, under normal conditions, where prices are lowest costs are lowest, is not valid. The production cost to the egg producers on the prairies is the same as in other areas where prices are high. I do not think there is very much difference between the price of feed in the east and in the west. The cost of bringing the product to market areas is not very much higher in the east than it is on the prairies.

There are many other factors involved in producing hogs and eggs that are similar, but the prices for these products are much higher in the east than they are in the west. We in the west with our low prices are helping the producers of eggs and hogs in the east to qualify for higher deficiency payments.

I have brought this problem to the attention of the house on more than one occasion. Political parties when electioneering have told people that this problem needs to be solved, but when parliament assembles and the Throne Speech is read there is never any mention of proposed measures to alleviate this situation.

I note that the member on the other side of the house who intends to reply to my remarks is the same member who replied on other occasions. Perhaps that hon. member and I should get together to look at this

problem from a reasonable point of view. I am sure he could be convinced that this bill deserves approval and that my proposals should be implemented at this time.

Mr. Patrick-T. Asselin (Richmond-Wolfe): Mr. Speaker, a motion by the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp) with respect to deficiency payments on an accumulated regional price basis was discussed once before in this house on May 27, 1964.

On that occasion the mover stated in support of his motion that had a regional support level been in effect for 1962 Saskatchewan producers would have received a deficiency payment of 5½ cents per dozen to bring them up to the 34 cent national support price, because the average price over the year in Saskatchewan was 28½ cents. This, of course, would be the case only if it is assumed that in a regional support system a deficiency payment represents the difference between the national support price and the regional average annual price. However, had a regional system of supports been in effect during 1962, the support price for Saskatchewan would have been developed on the ten year average base price in that province.

Records indicate that the support price on that basis in Saskatchewan would have been 29.5 cents, providing a deficiency payment of 1.5 cents per dozen because the annual average price for Saskatchewan in that year was 28 cents per dozen. This indicated that producers would have received one half a cent per dozen rather than 4½ cents per dozen more as suggested by the hon. member.

Page 3665 of *Hansard* of May 27, 1964 indicates that the hon. member when discussing hogs pointed out that hog prices are usually down in the fall when the farmers bring their hogs to market. It is true that the market price for hogs is usually lower in the fall than in the spring. This is so because such a large percentage of the hogs go to market at that time. The low price in the fall is simply a reflection of the fact that many small farmers produce and market hogs during a certain part of the year only.

The price received in the fall months is low because the supply of hogs marketed at that time is large. There must be a very good reason why farmers produce and market their hogs during certain months of the year. The fact would seem to be that mixed farmers have found it more economical to produce hogs during the summer and early fall than during the rest of the year. When hogs are produced in the summer, less labour and less elaborate building facilities are required. Besides it is in the summer that skim milk and whey are most likely to be available for hog feed.

The point is that if for reasons such as these, farmers can produce hogs more cheaply in the summer months, it follows that they should be prepared to take a somewhat lower selling price than other farmers who produce evenly in all seasons and at greater cost during certain periods.

• (5:20 p.m.)

Any steps taken which would deliberately encourage expansion or continuance of the present highly seasonal hog production could not help but be harmful to producers since storage costs, reduced consumption, etc., could lower over-all returns. Hogs must be produced and marketed more regularly if consumption is to be increased, processing costs lowered and producer returns increased. The Dominion Bureau of Statistics records indicate that during 1964 egg production on the prairies was 64 per cent greater than the per capita consumption and egg production in Ontario and Quebec was slightly below the per capita consumption.

It appears that many critics of the present deficiency payment program base their criticism on the lower prices received by western egg producers as compared with those received in the east. Because of these lower prices they feel it is necessary to provide greater assistance through regional and seasonal deficiency payments to the areas where market prices are lower.

However, this would eventually result in the subsidizing of regions which are less efficient in terms of rate of lay and which are burdened by the overproduction of a lower quality product. In the prairie provinces egg production far exceeds the needs of the market; eggs are produced by flocks which are small and many; egg quality is considerably lower than any other region of Canada; distribution is not efficient and transportation costs are high; production costs are generally lower due to the availability of lower priced feed. These many factors contribute to the lower price of eggs at prairie market centres.

Any steps taken to encourage further expansion of poultry production in the prairies would not be beneficial to the egg industry. Surplus production in that area reduces prices in other areas because shipments move

to areas where production is scaled to demand. This of course distorts prices received in such regions. Egg production is characteristically seasonal in output. Although some provinces like British Columbia reveal only slight variations, others such as Saskatchewan reveal marked variations in marketings of eggs from one part of the year to the other. As a result of the variations in supply, prices react accordingly, with low prices generally prevailing in the December to May period and high prices from August to November.

Previous proponents of seasonal deficiency payments have suggested that the actual prices received during low price quarters be compared with the national prescribed price and the resultant deficiency be provided in the form of a payment to all producers. Since the actual market price is generally lower in the seasonally flush period of the year than the prescribed price, and higher than the prescribed price in the lower period of production, payments would generally be always made for the former period and not the latter.

This would have the undesirable effect of encouraging production and marketing during the flush period, in order to receive a payment, which would aggravate the seasonal swings in output creating greater seasonal discrepancies in marketings and in prices. Seasonal variations in marketings and the accompanying swings in prices tend to reduce consumption through consumer resistance to high prices and a concurrent switch to substitute products.

During the past several years the egg industry has come a long way in overcoming the seasonal patterns inherent in the industry. To change a seasonal deficiency payment scheme now would destroy years of painstaking evolution to a more even pattern of marketing. Price stability in the market for eggs and hogs is important. It is best achieved by allowing these products to flow freely to consumers in a nationally based market. In this manner the movement of commodities from surplus to deficit areas is made easier and prices tend to seek levels consistent with supplies in the immediate area, taking into account the cost of transportation to or from the market in question depending upon its position as a surplus or deficit area.

If artificial barriers are set up in Canada through the introduction of four separate regions of support, as suggested in the proposed amendment to the Agricultural Stabilization Act, the free flow of eggs and hogs will be restrained as producers seek to obtain the advantages of regional support and price fluctuations will become more marked from region to region as price levels tend to be dependent on regional supply conditions only. Thus price stability will suffer.

In addition, as I have indicated before, not only will there be greater disparity in prices from region to region but also the introduction of semi-annual deficiency payments will encourage the marketing of eggs and hogs in the low-priced six-month period when payments are most likely, aggravating seasonal price fluctuations from which the whole industry will suffer. Fair returns for labour investment cannot be maintained if prices are not stabilized.

Regional and semi-annual payments to egg producers may benefit initially the many small producers in western Canada but in the long run, as price differentials widen from region to region and seasonal swings increase, the small producer may not survive. In fact, while a Saskatchewan producer may become eligible for a larger payment than his Ontario counterpart, only a small proportion of the producers in this province will market sufficient eggs to claim the maximum benefit, while in Ontario the reverse is true. For example, in 1964 only 6.7 per cent of the 1,697 claimants in Saskatchewan claimed the maximum $80 payments while 27.6 per cent of the 12,383 Ontario claimants did so. It appears then, that only the large producers in the west will benefit from a regional scheme of payment.

As far as hogs are concerned, the calculation of regional and semi-annual prescribed prices in 1964 using the 1964 national percentage of the base price, that is 88.3 per cent, would provide no benefit to producers. In all parts of Canada the regional weighted average price remained above the regionally calculated prescribed price. Thus there is no benefit to be derived from such a scheme even in the short run.

It goes without saying that a plan involving the calculation of several separate base prices, several separate prescribed prices and the administration of several separate regions and seasons for payment will add tremendously to the government's cost of operation. If the benefits accruing from such a complicated method of stabilization outweigh the social costs involved in its administration,

then the added burden to the taxpaying public may be justified; otherwise it is not justified.

In conclusion, if we implemented the proposal to change the present deficiency payment scheme for hogs and eggs to one on a regional and semi-annual basis it could, instead of being beneficial to the agricultural producers concerned, disrupt marketing patterns, cause greater price instability, discriminate among producers because of location, create consumer dissatisfaction in the product, undoubtedly affecting consumption, benefit the large scale producer in certain regions and discriminate unduly against small producers in other regions. In effect, there is nothing to be gained by either industry in changing to the regional and seasonal system of support.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I rise to speak just briefly in support of the bill which has again this session been introduced by the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp). There may be validity in some of the remarks made by the hon. member for Richmond-Wolfe (Mr. Asselin), but even if these prices had been calculated regionally there would have been times when the deficiency payment would not in fact have been any higher than it was in some other specific year. We do not deny that. But the fact is that there were cases—and I think the hon. member who introduced this bill outlined them very well—when the total price in so far as producers in Saskatchewan were concerned did not come up to the national average because they received so much less in the marketplace during the course of the year.

• (5:30 p.m.)

Under the old price support policy for hogs a few years ago, I recall this was a continual source of irritation to hog producers in Alberta. For the most part, hogs produced in Alberta were consumed either in Alberta or shipped to the Vancouver area on the west coast. While this price support policy was in effect the support price was established by taking into account the base price in Toronto and then subtracting the cost of freight from Calgary or Edmonton. That was not satisfactory at all, and as far as we were concerned there was no justification for it.

As I said, almost all the hogs produced in Alberta—I presume the same is true for Saskatchewan—were consumed in the area. In other words, there was no direct relationship between the price paid in Toronto and the price paid in western markets because there was very little movement of that meat from the west to the Toronto market.

I also want to comment briefly on the question whether or not it would be beneficial to have a half-yearly calculation made, rather than an annual calculation as at the present time. I do not know how important this will be over a long period of time when one considers the ten-year average under the Agricultural Stabilization Act, but I believe there should be some detailed analysis made of the differences that may occur in the deficiency payments which have been made.

I noted when the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp) introduced his bill that he made some calculations, and the figures he produced indicated that at least in two or three instances there would have been an improvement in the deficiency payment made if it had been calculated on a half-yearly basis. Therefore, until the argument advanced by the hon. member in introducing this bill has been explained away or destroyed, in the interests of the producers of eggs and hogs in certain areas I think we have to accept this study of prices and that there has been some disadvantage to these producers because the figures were calculated on an annual basis rather than a semi-annual basis.

One of the interesting point made by the hon. member who introduced the bill is this. According to some of the figures he used, when some of the producers in Saskatchewan added up the total market price received for their eggs, plus the deficiency payment which they received later, they were still several cents per dozen below the national average of 34 cents per dozen. When a similar bill to this was introduced in 1957 and 1958, I think it was intended that there should be a floor price established for these products and that producers all across the country would be brought up to that floor price, which would be determined by a ten-year average. Yet in the practical application of the present system it simply does not turn out that way.

I just wanted to say, Mr. Speaker, that I support the hon. member's bill, at least in his attempt to correct some of the discrepancies he has described. As I said before, for the most part I believe that the eggs and hogs produced in the regions outlined by the hon. member in introducing the bill are consumed in those same areas. If that is the case there is surely no reason to penalize certain areas

by taking into account prices in other areas when deficiency payments are established.

So, Mr. Speaker, I simply say that we should either accept this bill and amend the Agricultural Stabilization Act in accordance with the provisions of the bill, or else we should have a far more satisfactory and complete explanation from those in the government who are responsible for the administration of this act, indicating that no real injustice is being done to producers in certain areas of the country.

Mr. Jack Roxburgh (Norfolk): Mr. Speaker, I first want to congratulate my hon. friend, the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp), for bringing this matter before the house once more for thorough discussion. I might even go along with him as far as the semi-annual payment is concerned.

He said in his opening remarks that this provision would be more beneficial to the prairie provinces. This is Canada, Mr. Speaker. We cannot look at the problem from a regional angle alone. Therefore I must take exception to this proposal of my hon. friend from a national point of view, and from a national point of view only.

I think we should start at the beginning. What we must decide is whether the changes my hon. friend has requested should be made; and, if they should, whether it is actually possible to make the changes. Let us consider these matters in turn.

First of all, we must examine the proposition that producers everywhere should receive the same unit of return from one coast to the other. The very suggestion that the return should be uniform implies that there is something radically wrong with a pricing system which results in produce being sold at different prices in different parts of the country. In this regard it seems desirable to note some of the regional price variations, and in particular to explain just why they exist.

Let us start in western Canada with Canadian western wheat, which moves eastward to the market. The price the farmer receives at the country elevator declines as the distance between him and Fort William increases. Farmers living in western Saskatchewan certainly receive considerably less than those in Manitoba. In each case the cost of transportation is deducted from the basic Fort William price to determine each farmer's return.

• (5:40 p.m.)

The same situation exists in Ontario and in Quebec with respect to potatoes grown in the Maritimes. Potatoes are grown in Ontario and in Quebec, and what has to be taken into consideration when considering potatoes from the Maritimes is transportation.

The same situation applies to fluid milk going to Toronto from producers in Ontario. Those producers that are closer to the main market receive more, because of lower transportation costs. The same general principle operates wherever products are sold competitively and production takes place at varying distances from a common market. This explains why prices quoted for cattle, hogs or eggs on western Canadian markets must always be somewhat lower than those quoted at Montreal and Toronto.

Mr. Speaker, it also explains why farmers are willing to sell eggs right at home, right at the farm, for much less than they would accept if they took those articles to market. At the same time it does not necessarily follow that the difference between prices paid in varying places is simply the difference in cost of transportation. However, we know that that is not so. It has a great deal to do with whether there is a surplus, or a limited amount of the product to be sold at the time. All these things have to be taken into consideration. In fact unit prices and costs vary from region to region.

Mr. Rapp: Mr. Speaker, may I ask one question? Is that the reason why on the prairies we are getting perhaps 20 cents or 25 cents for our eggs, for which we have to pay 60 cents in stores? Is the difference in cost the added cost of transportation from Ontario, or some other place? It seems strange that our farmers get only 20 cents, and yet have to pay 60 cents in the stores.

Mr. Roxburgh: Mr. Speaker, answering my hon. friend's question, I did not know that there was a great shipment of eggs from Ontario to the western provinces.

Mr. Rapp: Well, there is.

Mr. Roxburgh. I think very definitely that transportation costs play some part. I am in the fruit business, and we are competing in our area with British Columbia apple growers. I think it costs something like $1 a box to bring B.C. apples to eastern Canada. I think transportation plays quite an important part.

May I continue with what I was about to say. Under a competitive situation such as we have in Canadian agriculture, farmers in western Canada could not keep selling livestock products at lower prices than obtained by Ontario or Quebec farmers, unless costs to western farmers were lower than those to farmers in central Canada by at least enough to cover the cost of moving their products eastward.

After all, Mr. Speaker, the real test of whether farmers in one region make as much profit as those in another is found in the extent of their willingness to continue producing. Under competitive conditions farm products do tend to be produced where they can be produced most efficiently. I think we all realize that.

If this government, or any government as far as that is concerned, agreed to pay transportation costs by varying the size of deficiency payments from region to region, in the manner suggested, I think that farmers would tend to produce more where costs, other than transportation costs, were low, in order to get a unit return equal to that of producers producing in higher cost regions.

In time, of course, actions of farmers producing in low cost production areas would tend to reduce the level of the nationally weighted average market price, and therefore would reduce the level of the support price which is closely related to that market price. In the meantime, however, the farm production pattern of the country would be seriously disrupted and the costs to the government would be tremendously increased.

In the few remarks that I have made I feel that I have shown that it would be undesirable to pay these costs. For one thing, the act of giving different sized payments to farmers in different regions would certainly cause dissension among those farmers. For example, if the government gave a large deficiency payment to producers in one region, and gave a very small payment or no payment to producers in another region, I suggest that farmers in the latter region would object strenuously. They would claim that the government, by providing farmers in the former regions with large payments, was providing them with a special subsidy and that this payment or subsidy would improve the competitive position of farmers in the former region as compared with themselves. In other words, farmers in the latter region, receiving no payment or very little payment, would feel that there has been gross discrimination against them.

In other words, those farmers would feel that there had been gross discrimination against them, enabling farmers in regions where they received subsidies to enrich themselves through unfair competition.

May I just add this: Boy, oh, boy, I should not like to be in the shoes of the member of parliament representing a region where small payments or no payments to producers were made. If this were so, and if I were depending on the farm vote, perhaps there would be one less member on this side of the house.

The next important factor to consider is that a regional type of program would tend to remove a producer's incentive to dispose of his products to the best possible advantage. Let me illustrate this: There is little doubt that if a farmer, say in Saskatchewan, knew that he was sure to get a deficiency payment equal to the difference between the market price for producer in his own region and the national support price, he would not very likely try hard to move his eggs or hogs or produce to a higher priced market. The cost of the support program to taxpayers would be increased to the extent that producers failed to get the highest possible market price for their produce.

It is well to note that this tendency for farmers to lose their marketing incentive exists wherever deficiency programs are administered on any kind of regional basis. I am going to give one little example. If farmers in Saskatchewan had a regionally guaranteed support price of 27 cents a dozen for eggs, they would not feel any great incentive to seek somewhat higher prices in other regions if they found the market price in Saskatchewan falling below the 27 cents level.

• (5:50 p.m.)

In connection with that type of regional program which farmers and their organizations have recommended, and which I think my hon. friend has also recommended, tending to give farmers everywhere the same total unit return, it would not make any difference where farming was carried on. It is necessary to recognize that all those who advocate this kind of program must assume that market prices in various regions will always be lower than the national support price. Any such assumption however is entirely invalid. The fact is that the regional market prices will

actually be higher than the national support price whenever the supply in the various regions is limited in proportion to the demand—in other words, in short supply.

Assuming the number and location of the regions to have been agreed upon, the next problem would be to administer the program in such a way as to insure that all produce was actually sold in the same region in which it was produced. Let me point out that the cost of getting farm products to a considerably higher-priced market in an adjoining region may be no greater, or even less, than the cost of getting it to a lower-priced but equally distant market in their own region. Under a regionally administered program, however, it would presumably be considered quite unfair for any farmers to receive a larger deficiency payment because market prices in their own particular region were lower than in a neighbouring region in which they had actually done their selling.

At the same time it is obvious that any attempt to force all farmers to do their marketing within their own regional boundaries would not only involve a lot of expensive policing but would seriously interfere with market practices and marketing connections which have long been specially advantageous to the particular farmers concerned. Note that word "force". We are hearing a lot of that word these days, and I do not agree with it all, I can tell hon. members that much.

To get back to the policing question: I do not know about the feelings of any of the members across the way, or even on this side of the house, but we seem to have reached a state where an extra police force has to be set up to look after everything parliament does, whether it is in the field of income tax, pensions, or anything else. I can tell hon. members that the independent farmer is going down fighting. He will fight any suggestions that he should be forced to do something he does not want to do. From this angle alone I think we are dealing with a ticklish problem.

It would be exceedingly unpopular, partly because it would be interfering with the farmer's freedom. And, my God, these days it is only the farm people of Canada who appear to have a little freedom left. It would be unpopular because, as I said, it would interfere with the farmer's freedom to decide where to market and also because it would force him to shift from a higher priced to a lower priced market outlet. At the same time it would be uneconomic since it would prevent a considerable amount of produce from following normal marketing channels.

To sum up I should like to say this. From what has just been said it should be obvious that adoption of a regionally-based type of program would lead to some extremely difficult and unpopular if not absolutely impossible administrative situations. It should be equally clear that it would result in very serious confusion and misunderstanding in producer ranks generally.

If farmers find difficulty in understanding how a single standard yearly deficiency payment is calculated it would really be hard work explaining to them the variation in deficiency payments from region to region. I think that on a national basis the proposal is completely out of line.

Mr. Grant Deachman (Vancouver Quadra): In the two minutes that are left this evening on the subject of this bill I should like to strike a blow for the city man. In my constituency we have one farm and that is the farm belonging to the university of British Columbia. Its area is gradually dwindling and it will soon be wiped out by the engineering department and other departments of that university. Then we shall be entirely a city constituency.

When I look at this proposal, a city man reading about this bill, I see it is intended to stabilize the prices of hogs and eggs. What it really proposes to do is to keep the prices of hogs and eggs up, and as a city fellow who must pay for hogs and eggs I am not necessarily interested in keeping those prices up.

Can hon. members recall a year or so ago when there was a disastrous earthquake in Peru? This country, like all good countries, went to the help of the Peruvians by shipping them aid. They needed bandages, iodine, medical supplies and things of that kind. What did we send them, sir? We sent them a shipload of luncheon meat. Why? We did it because it embarrasses us to have so much luncheon meat on hand. The price of hogs, the price of eggs and the price of butter are kept up at artificial levels until we have storehouses filled with these commodities. So when there is a disaster we use it as an opportunity to ship out of the country whatever stores are embarrassing us at the moment. That is why we shipped carloads of luncheon meat to the poor Peruvians who were looking for bandages.

There have been occasions when we have shipped butter to India. But butter is a product which the Indians do not even eat; they have to convert it into another product called ghee before they can use it.

An hon. Member: Six o'clock.

Mr. Peters: On a point of order. I am sure we would be very happy to give the hon. member unanimous consent to continue this speech. It is most interesting from an agricultural point of view.

Mr. Deputy Speaker: The hour for the consideration of private members' business is now expired.

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

HOUSE OF COMMONS

Monday, February 28, 1966

The house met at 2.30 p.m.

FINANCE

TABLING OF VOLUME 2 OF TARIFF BOARD REPORT ON WIRE PRODUCTS

Hon. Mitchell Sharp (Minister of Finance): On January 26 I tabled volume 1 of the Tariff Board report on reference 132 relating to wire and wire products. Volume 1 dealt with rod, wire and wire products of iron or steel. I am having tabled today copies in English and in French of volume 2 of this report.

Volume 2 relates to wire and wire cloth of non-ferrous metals. The Tariff Board's recommendations contained therein will receive most careful consideration by the government. I would also like to take this opportunity to invite interested parties to let me have any comments they may wish to make on this report.

NORTHERN AFFAIRS

NORTHERN LOAN PROGRAM TO DEVELOP MINERAL RESOURCES

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): I wish to announce the government's decision to recommend to the house the adoption of a new northern loan program as an incentive to develop the mineral resources in the Yukon and Northwest Territories.

Exploration expenditures in the north have been running at an annual rate of approximately twenty millions of dollars per year which, while gratifying in terms of the past, is still unsatisfactory as compared with the oil and gas exploration expenditures in southern Canada in the magnitude of $150 million per annum.

The government therefore believes it is desirable to encourage greater northern exploration for the purpose of realizing the mineral possibilities which exist in these territories. The federal government has a net expenditure in the north every year of over $50 million. Companies and individuals engaged in the oil and mineral business presently appear to have adequate incentives under the Income Tax Act for exploration expenditure. The government proposes, through a northern mineral development loan fund, to bring many of these same advantages to the ordinary Canadian investor and thereby considerably expand the funds available for such exploration.

• (2:40 p.m.)

The loan fund is for Canadians and Canadian-controlled companies only. While we welcome foreign capital in the north, we believe that Canadians should have a special incentive to invest in Canada's large northern potential of resources. Development in depth is one of our great challenges.

The loan fund will provide amounts of up to 40 per cent of approved exploratory expenditures to companies and individuals not eligible for the Income Tax Act charge-off incentive, and repayment will be required only if minerals are found in commercial quantities. The government will thereby assist with the high risks normally associated with northern resource exploration. The loan fund will be limited initially to $3 million per year, with possible increases in succeeding years after review of the program's success. An appropriate item will be included in estimates for the approval of the house.

In conclusion, I hope this loan fund will be instrumental in attracting major new exploration funds to the northern territories, and increasing the proportion of Canadian ownership in the non-renewable resources of the north.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I would like to take this opportunity to thank the Minister of Northern Affairs and National Resources, for the second time in two sitting days, for paying the opposition the courtesy of sending his announcement on motions across to us ahead of time, because this gives us an opportunity to prepare some form of constructive response to such announcements.

The first point I wish to make is that the announcement today recognizes something that has been a fact for a long time, namely that United States tax laws and Canadian tax laws work in a similar direction to encourage United States investment in Canada and to penalize Canadian investment in the Canadian mining and oil industries. This fact was pointed out very clearly by the Gordon

royal commission and the Borden royal commission, and the proposal announced today is a method to try and equalize the scales.

The proposal suggests a 40 per cent loan, not repayable if there is no success in the exploration. The only thing I would like to suggest here is that since the government intends to collect back the 40 per cent loan in a case where there is success in locating new oil or minerals, why not go one step further and take a 40 per cent interest in equity ownership? This would be the next logical step.

The proposal announced today carries on the over-all idea of dynamic action by the federal government in the development of the resources of this country that we brought into effect in a major way in 1957-58.

I should also like to point out, with respect to the expenditure of federal moneys in development of the north that we have to keep the economics in mind. That is, we cannot spread such a program generally all over the north. It has to be concentrated in those areas where there is the best chance relating to marketing the product. Therefore it is sound to go into the north from the sea, as I know the minister is interested in doing, via Baffin Island, and also through the land mass of the four western provinces.

I would also suggest that while this loan program which will encourage money to be spent in the high risk enterprise of exploration, giving companies a write-off where a write-off is not available to them now because they have not got refineries or smelters, the minister can help even more by restoring the roads to resources program. The hopes for a smelter at Great Slave lake will help, but by building a road connection around Great Slave lake in a circle the rich area around Great Slave lake could be made available for development through this loan fund program.

I should like to conclude with one little statement to the house. In 1958 and 1959 we invested $2½ million in building three bridges in the Yukon over the Stewart, Pelly and Yukon rivers. Every two years since those three bridges were completed the federal government has received back $2½ million in direct taxes as a result of that investment. This type of thing announced by the minister will have a similar result.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I too desire to thank the minister for giving us notice of his intention to make this statement on motions. I am sure all hon. members will agree with the need for development in the north and the need for additional exploration and development of minerals. I am sure they will also agree that this is a high risk area.

I think the minister is to be commended for setting up this northern mineral development fund. However, I am somewhat perturbed at the proposal that a borrower may be able to borrow up to 40 per cent of the amount invested and need not repay this loan unless he discovers minerals in commercial quantities. It seems to me this is coming fairly close to a "heads you win, tails I lose" proposition.

I think the minister could accomplish what he has in mind by entering into an arrangement with these companies whereby, an additional royalty in addition to the normal royalty, or 40 per cent of the profits made would be payable to the government by the company; and of course if the company made no profits they would not have to make any repayment. But if they do make profits in developing these resources, which after all belong to the people of Canada, I see no reason why the people of Canada should not have a share of the profits which result therefrom.

I hope the minister will give this some consideration. Also I hope that after the passage of time the amount of $3 million will be greatly expanded, because larger amounts of capital will be needed if we are to develop the northern parts of this country.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I too appreciate the privilege of having been given prior notice ot this statement today as it relates to the assistance program for the development of our northern resources. I believe we share with all members of the house satisfaction in knowing that something is being done to assist in the exploration and survey development of the resources in the Northwest Territories and the Yukon Territory.

As I listened to the announcement I found myself wondering whether this program could not have been developed through the Industrial Development Bank, or whether this is perhaps part of the legitimate area into which the Canadian Development Corporation could well reach when it is established. Certainly we are concerned at the multiplicity of funds in this regard. I would hope the government is making every effort to bring forward the Canadian Development Corporation legislation as quickly as possible.

I believe, Mr. Speaker, the amount mentioned is only the beginning. I believe also to follow up this policy there must be some policy in relation to the leasing of mineral rights and the sharing in the royalties so far as the Canadian people are concerned. I do not think this has to be done through governmental equity. I think the pattern already is established, that this can be done through leases, rentals, and also through royalties so that the real benefit of these resources which are developed as a result of the exploration can return to the people of Canada in their own time.

Again we express our satisfaction at this beginning in this very important area of resources development.

BUSINESS OF THE HOUSE

VACATION PROVISIONS, POLYMER CORPORATION—AMPLIFICATION OF ANSWER TO WRITTEN QUESTION

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, on February 23, 1966, as shown at page 1658 of *Hansard*, I answered question No. 315 asked by the hon. member for Burnaby-Coquitlam concerning annual vacations for the employees of Polymer Corporation. The corporation has since furnished me with additional pertinent information.

• (2:50 p.m.)

In the reply shown in *Hansard* it was stated that there were 21 employees who did not receive the full annual vacation to which they were entitled in 1965. The vacation periods for these employees were set over into 1966 by mutual agreement because of sickness or their involvement in special assignments or projects.

I am now advised that, in addition, there are 28 new employees whose first year of employment with the company ended after July 1, 1965, and some as late as December, 1965, and who therefore become entitled to an additional week of vacation under the terms of the Canada Labour (Standards) Code. Section 17(A) of the act requires that the vacation begin not later than ten months after completion of the year of employment and the additional week of vacation is being given in conformity with the act. Thus, although these employees will receive the full annual vacation to which they became entitled in 1965, the additional week was not, in fact, taken in the calendar year 1965.

Question of Privilege

HOUSE OF COMMONS

ELI LINDSAY, ARBORFIELD, SASK.—107 YEARS OLD TODAY

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I should like to bring to your attention and to the attention of the Prime Minister and hon. members a matter of great national interest. One of my constituents, Grandfather Eli Lindsay, of Arborfield, Saskatchewan, is celebrating his 107th birthday today. This morning I phoned Grandpa Lindsay to wish him good health. He seemed pleased with the call and thanked me for calling him.

Some hon. Members: Hear, hear.

PRIVILEGE

MR. NIELSEN—RIGHT OF MEMBER FOR MONTMAGNY-L'ISLET TO VOTE IN HOUSE

Mr. Speaker: Order, please. I should like to remind hon. members of a question of privilege raised by the hon. member for Yukon (Mr. Nielsen) I believe some time last week, affecting the hon. member for Montmagny-L'Islet (Mr. Berger). I have given the matter serious consideration since that time and am now prepared to express an opinion or give a judgment on the question of privilege. However, I feel that perhaps it would be more in order to deliver my judgment when the hon. member for Yukon is in the house.

I notice that the hon. member for Montmagny-L'Islet is in his seat at this time, so perhaps I should bring to the attention of the house a judgment which has been brought to the attention of the Chair and the Clerk of the House. This judgment reads in part as follows:

[*Translation*]

We, the undersigned, Chief Justice of the Superior Court of the Province of Quebec, sitting for the district of Quebec, on the applicant's petition, after having examined the facts alleged in the petition and the documents produced:

EXCUSE the applicant for failing to file his election expenses return;

AUTHORIZE the applicant to submit the said return within fifteen days from the date of the present ruling;

AUTHORIZE the applicant to act as if his return had been filed within the time limit prescribed by law.

[*English*]

Perhaps I should mention the fact that this does not necessarily close the matter in so far

as the question of privilege is concerned but, if the house is in agreement, before rendering a judgment on the matter I suggest that we wait until both members are in their seats.

Mr. Bell (Saint John-Albert): Mr. Speaker, could we have the date of that judgment or order?

Mr. Speaker: Perhaps the Chair might be given an opportunity to consult with the chief justice to find out when this was delivered, because there is no apparent date of delivery. It does indicate that it was received by the chief electoral officer and the Clerk of the House of Commons on February 28. That is the only date on this judgment now before the Chair and the House.

[*Translation*]

[*Later:*]

Before going on to orders of the day, I wish to point out to hon. members that after looking more closely at the judgment delivered by the Chief Justice of the Superior Court of the province of Quebec, I notice that the said judgment was delivered or is dated February 24, 1966.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CHARGES AGAINST PENITENTIARY SERVICE EMPLOYEES

Question No. 54—**Mr. Howard:**

1. Since January 1, 1965, has any employee in the penitentiary service been charged in court with any offence and, if so, with respect to each such person, what was (a) his or her name (b) the particulars of the charge, and (c) the disposition of the charge?

2. What disciplinary action did the penitentiary service take with respect to each such person?

3. Was each such person subsequently reinstated in full stature and employment with the penitentiary service?

Hon. L. T. Pennell (Solicitor General): 1, 2 and 3. Since January 1, 1965, the following employees of the penitentiary service have been charged in court. The particulars of the charge(s), the disposition of the charge by the court and the disciplinary and/or administrative action taken by the service with respect to each such person are indicated in each case: R. E. Phinney: Charges: Being intoxicated in a public place. Other charges withdrawn. Court disposition: Found guilty and fined $10 and costs. Service action: No action was taken by the service because this employee resigned on 23 September 1965, before his court appearance. He reapplied for re-employment and was reinstated with effect on January 6, 1966, at the basic rate of pay of his rank classification. M. L. Christie: Charges: Being intoxicated in a public place. Other charge withdrawn. Court disposition: Found guilty and fined $10 and costs. Service action: Suspended from duty, later charged under penitentiary service regulations and awarded admonishment by warden. Reinstated in rank and pay with effect December, 1965. J. L. R. Poliquin: Charge: Gross indecency. Court disposition: Found guilty, fined $200 and placed on $500 bond to keep peace for a period of three years; in default of the fine, to serve six months in jail; in default of keeping the peace, to serve one year in prison. Granted an extension of time of two months to pay. Service action: Resigned from the service. F. B. G. Wirth: Charge: Being intoxicated in a public place. Court disposition: Fined $18 and costs $2.50. Service action: Charged under penitentiary service regulations and awarded a reprimand. This officer resigned from the service on 31 December 1965. G. E. Jackson: Charge: Being intoxicated in a public place. Court disposition: Fined $18 and costs $2.50. Service action: Resigned from the service. J. E. Frasso: Charge: Theft of government property. Court disposition: Found guilty and fined $25 and costs. Service action: Resigned from the service. G. N. White: Charge: Being intoxicated in a public place. Court disposition: Remanded until called upon. Warned by magistrate. Service action: Charged under penitentiary service regulations and awarded a warning. L. E. Pritchett: Charge: A driving charge dismissed. Service action: None. D. M. Keshane: Charge: Assault. Court disposition: Found guilty, fined $50 and costs, placed on $300 bond to keep peace for one year. Service action: No action was taken as yet, because he has entered an appeal which is to be heard in April 1966. J. R. Scriver: Charge: Impaired driving. Court disposition: Found guilty, fined $300 and costs. Service action: Released from the service. K. R. Harvey: Charge: Theft of property less than $50. Court disposition: Pleaded guilty. Suspended sentence of three months. Service action: Charged under penitentiary service regulations and awarded a reprimand. Retained on staff. Now employed at another institution. N. V. Dickie: Charge: Theft of property less than $50. Court disposition: Pleaded guilty. Suspended sentence of three months. Service action: Charged under penitentiary service regulations and awarded a

reprimand. This officer was to be promoted with effect 1 January 1966. This promotion was cancelled. Retained on staff. Now employed at another institution.

There may have been other employees of the service who, since January 1, 1965, have been charged in court for minor offences, whose cases never became known to service authorities.

PRINTING BUREAU CONSTRUCTION COST

Question No. 62—**Mr. Irvine:**

1. What was the cost of constructing the Canadian Government Printing Bureau in Hull?

2. What was the original estimate?

3. What was the date of completion?

4. What has been the annual cost since that date of (a) structural changes or alterations (b) what were these changes and why were they necessary (c) since completion date, what capital outlays have been made for such items as air conditioning, heating equipment, lighting, etc. (d) were such costs incurred for new equipment, replacement equipment, major repairs?

5. What was the annual cost of plant maintenance for each of the past five calendar or fiscal years?

Hon. G. J. McIlraith (Minister of Public Works): 1. $12,580,458.84.

2. Original estimate in April 1949 was $8,297,000.

3. November 28, 1954.

4. (a) 1955-56, $1,988; 1956-57, $4,480; 1957-58, nil; 1958-59, $1,777; 1959-60; nil; 1960-61, $17,139; 1961-62, $11,348; 1962-63, nil; 1963-64, nil; 1964-65, $37,500. 1965-66, $110,391. (b) 1955-56—Install boardwalks. Accommodation requirements. 1956-57—Install catwalks and paper chute. Accommodation requirements. 1957-58—Nil. 1958-59—Install oil troughs and drains. Accommodation requirements. 1959-60—Nil. 1960-61—Partitions, concrete steps in loading area, catch basins and steam outlets in cafeteria. Accommodation requirements. 1961-62—Partitions and washroom facilities. Accommodation requirements. 1962-63—Nil. 1963-64—Nil. 1964-65—Alterations to first floor and new grease pit in garage. Accommodation requirements. 1965-66—Relocation and repairs to posts, exterior painting, services for D.N.D., kick plates on doors, install dumbwaiter, partitions and alterations to first floor. Accommodation requirements. (c) $945,691.75 (d) Yes.

5. 1960-61, $630,668.46; 1961-62, $621,127.99; 1962-63, $635,960.96; 1963-64, $528,523.05.

NATIONAL CAPITAL PLANNING COMMITTEE

Question No. 73—**Mr. Bell (Carleton):**

1. Has the National Capital Commission appointed a national capital planning committee as provided for in section 9 (3) of the National Capital Act?

2. If so, who are the members of the committee and what powers and functions have been assigned to it?

3. If not, for what reason?

Hon. G. J. McIlraith (Minister of Public Works): 1, 2, 3. In 1946, the Federal District Commission established a national capital planning committee to draw up a master plan for the development, improvement, and beautification of the national capital district. The administrative staff serving the committee was provided by the Federal District Commission. The planning consultant was Mr. Jacques Greber, who was assisted by a Canadian staff called the national capital planning service.

The national capital committee held 22 meetings between October 30, 1946 and December 29, 1955. In 1954, the national capital planning service, which assisted Mr. Greber, and the national capital planning committee, was transferred to the Federal District Commission. Subsequently, the national capital planning committee met only four times; and the Federal District Commission, assisted by its staff and the advisory committees, carried out the work previously done by the national capital planning committee. Moreover, as the municipalities increased their own planning staffs, they required less assistance from the national capital planning committee.

The Federal District Commission Act was replaced by the National Capital Act, 1958, 7 Elizabeth II, Ch. 37. The National Capital Commission, whose responsibilities resemble those of the Federal District Commission, is assisted by the staff of the commission, the executive committee, the land committee, the advisory committee on design, the Gatineau Park advisory committee, the historical advisory committee, the information advisory committee, and by various consultants.

Given its modus operandi, the commission has not felt the need to make use of the authority conferred by the National Capital Act, s. 9(3), to appoint a national capital planning committee.

RECOMMENDATIONS ON PURCHASE OF C-5 FIGHTER BOMBER

Question No. 91—**Mr. MacRae:**

Did the Minister of National Defence reject the recommendation of any of his military advisers

when he decided to purchase the American Northrop C-5 fighter bomber?

Hon. Paul Hellyer (Minister of National Defence): The purchase of the CF-5, an improved version of the Northrop F-5, was one of a number of options presented for consideration by the minister and was the option selected after a careful assessment of all the factors, and recommended to the government for approval.

FORMATION OF UNIT OF MARINES

Question No. 93—**Mr. MacRae:**

Is it the intention to form a unit or units of the Canadian Armed Forces to be known as the Canadian Marines?

Hon. Paul Hellyer (Minister of National Defence): As stated in the white paper in March 1964, the integration of the armed forces of Canada under a single chief of defence staff and a single defence staff was the first step toward a single unified defence force for Canada. Progress is being made in this direction and studies are continuing on such matters as the name of the force.

SASKATCHEWAN GOVERNMENT EMPLOYEES WITH B AND B COMMISSION

Question No. 120—**Mr. Ormiston:**

1. Have any former employees of the government of Saskatchewan been employed by the Royal Commission on Bilingualism and Biculturalism?

2. If so, what are their names?

3. What remuneration have these employees received from the government of Canada for services rendered to the Royal Commission on Bilingualism and Biculturalism?

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): I am informed by the royal commission on bilingualism and biculturalism as follows:

1. Yes.

2.

Full-time employees	Period of employment
W. Bolstad	June 1965 to September 1, 1965
M. Brownstone	June 27, 1964 to present
N. Bryan	May 25, 1965 to present
P. Findlay	February 1, 1964 to present
C. Franks	May 3, 1965 to July 31, 1965
D. Lyngseth	August 17, 1964 to May 1, 1965
L. Stanford	September 21, 1964 to present
D. Smiley - Consultant	May 15, 1964 to present

[Mr. MacRae.]

3. The total remuneration received by these employees from the date of employment until separation, or until January 31, 1966, as the case may be, is as follows:

Employees	Total remuneration
W. Bolstad	$ 3,000.00
M. Brownstone	21,274.56
N. Bryan	7,002.38
P. Findlay	20,150.07
C. Franks	2,250.00
D. Lyngseth	8,523.81
L. Stanford	13,206.82
D. Smiley	6,035.00

LOANS TO CROWN CORPORATIONS

Question No. 124—**Mr. Caouette:**

1. During the past three years, what loans were granted to each crown corporation under section 82 of the Financial Administration Act?

2. What were the terms of such loans?

Hon. Mitchell Sharp (Minister of Finance): 1. Farm Credit Corporation, two loans totalling $125,000.

2. To be repaid without interest at such time as parliament appropriates funds for operating expenses in connection with the Farm Machinery Syndicates Credit Act.

COLOUR TELEVISION—CANADIAN CONTENT

Question No. 188—**Mr. Ormiston:**

Will the decision to provide colour television initially and ultimately result in an increase or decrease in the Canadian content of private station programming in the Toronto, Hamilton, Montreal, Winnipeg and Vancouver areas?

Hon. Judy V. LaMarsh (Secretary of State): It is not anticipated that the introduction of colour television will change the Canadian content to any significant degree.

DEVELOPMENT OF TROIS-RIVIÈRES AIRPORT

Question No. 235—**Mr. Mongrain:**

1. Does the Department of Transport have any plans for developing or improving the Trois-Rivières airport and, if so, what are such plans?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Fertilizing and seeding of sidestrips will be undertaken this year. Improvements to the non-directional beacon building, an extension to the operations building and improvements to communications facilities are also planned for 1966-67.

DEBT FREE MONEY

Question No. 321—**Mr. McCleave:**

Has the present government taken any steps to bring about debt-free money in (a) 1963 (b) 1964 (c) 1965, and (d) 1966?

Hon. Mitchell Sharp (Minister of Finance): The answer to each of parts (a), (b), (c) and (d) is no.

RESTORATION OF LOVERS' WALK, PARLIAMENT HILL

Question No. 338—**Mr. Bell (Carleton):**

1. Has any study or survey been made, since the first day of January 1963, by or on behalf of the Department of Public Works, or the National Capital Commission, of the extent of erosion or deterioration of the cliff or bluff of Parliament Hill above the Ottawa River?

2. If so, what findings have been made?

3. What work is considered necessary and desirable to prevent further erosion or deterioration?

4. What is it estimated would be the cost of such work?

5. Has any consideration been given by the government to the restoration of "Lovers' Walk" on the cliff or bluff of Parliament Hill?

6. If so, what conclusion has been reached?

7. What is the estimate of the cost of restoration?

Hon. G. J. McIlraith (Minister of Public Works): 1. The National Capital Commission's staff examines the cliff behind Parliament Hill at least four times each year to determine the extent of erosion and what remedial steps, if any, are needed.

2. Usually some erosion is found.

3. A program of cribbing, placing of top soil, and planting of quick rooting plants has been carried on for about ten years.

4. The commission spends from about $2,000 to $5,000 a year for such erosion control.

5. Yes.

6. Because of the difficulty in controlling erosion and maintaining satisfactory landscaping on this escarpment, due to its formation and northern exposure, it has been decided not to undertake a project for restoring "Lover's Walk" at this time.

7. No estimate has been made.

COMMISSION ON DIVORCE REFORM

Question No. 344—**Mr. Mather:**

Is consideration being given to the setting up of a national commission to study and recommend divorce reform in Canada?

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): The government is currently considering the question of divorce reform and the various means available for determining which changes in the existing law may be desirable.

COST OF LIVING BONUS FOR RETIRED CIVIL SERVANTS

Question No. 346—**Mr. Mather:**

Is consideration being given to granting superannuated civil servants a cost of living bonus retroactive to January 1963 and in future relating their pensions to cost of living increases?

Hon. Mitchell Sharp (Minister of Finance): The attitude of the government was expressed by the parliamentary secretary to the Minister of Finance as recorded in *Hansard* for January 25, 1966 at pages 273 and 274.

CANADIAN FORCES ABROAD

Question No. 377—**Mr. Gauthier:**

1. How much has Canada spent for the maintenance of Canadian troops in Germany from the end of world war II until December 31, 1965?

2. How many Canadian soldiers are still stationed in Germany at the present time?

3. How much has the government spent on these troops for the year 1964-65?

4. What is the amount of money paid by Canada to the United Nations since its foundation?

5. What is the United Nations' share of expenses for our soldiers in Germany and what is Canada's direct share of expenses on behalf of our armies in Germany?

6. How much has Canada spent as a member of the United Nations since its foundation?

7. How much has the Canadian government spent on the Cyprus operation up to December 31, 1965?

8. How many Canadian soldiers are still stationed in Cyprus?

9. How much has the Canadian government spent on assistance to Rhodesia during the last few months?

10. How much has the Canadian Government spent for its intervention in Korea?

11. Does Canada still have soldiers in Korea and, if so, how many?

Hon. Paul Hellyer (Minister of National Defence): 1. Approximately $860,000,000. This estimate includes personnel costs, equipment operating costs, station support costs as well as miscellaneous operating and maintenance costs, for the Canadian Forces stationed in Germany. Capital costs of equipment or construction are not included.

2. As of 31 December 1965, there were 9,565 military personnel in Germany.

3. $87,000,000.

4. Since the inception of the United Nations in 1945, Canada has paid a total of approximately $253 million in assessments and contributions to the United Nations and its related bodies (including the Specialized Agencies and the International Atomic Energy Agency).

5. The United Nations do not share the expenses of our servicemen in Germany as the Canadian Forces stationed in Germany are in that country in fulfilment of Canada's obligations under the North Atlantic Treaty and as part of Canada's contribution to the North Atlantic Treaty Organization. Canada, therefore, bears the full cost of maintaining the Canadian Forces in Germany.

6. See answer to 4.

7. Approximately $7,002,000. This includes supplies, services, transportation.

8. 968 as of 31 December 1965.

9. Following the unilateral declaration of independence in Rhodesia on November 11, 1965 Canada withdrew the Canadian teachers serving under the Canadian External Aid program in Rhodesia. Twenty six Rhodesian students continue to study in Canada. Canada has spent $83,493 from November 1, 1965 to February 8, 1966 on this program. For the sake of comparison Canada has spent $75,024 on assistance to Zambia, the former Northern Rhodesia, during the same period. In addition, the cost to Canada of participation in an emergency operation to airlift oil to Zambia has been approximately $502,000 in the period ending January 31, 1966.

10. Approximately $233,900,000.

11. Yes, two, with the Participating Nations Advisory Group, United Nations Command, Military Armistice Commission, Korea.

*EXPENDITURES UNDER GOVERNOR GENERAL'S WARRANTS

Question No. 388—**Mr. Fulton:**

1. Since September 8, 1965, have any amounts of public funds of Canada been spent under the authority of governor general's warrants?

2. If so, how many warrants were issued, on what date, and for what total amounts respectively?

3. What is the breakdown per department authorized by the said warrants referred to in part 2?

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, the answer to this question is as follows: 1. Yes.

2. Five warrants were issued: November 1, 1965, $163,176,450; November 29, 1965, $345,696,168; December 29, 1965, $399,294,249; January 7, 1966, $12,000,000; January 17, 1966, $425,000.

3. The departmental totals may be found in part I of the *Canada Gazette* as follows: Warrant of November 1—November 6, page 3601; warrant of November 29—December 4, page 3974; Warrant of December 29—January 8, page 73; Warrant of January 7—January 15, page 165; warrant of January 17—January 22, page 268.

Mr. Lambert: Mr. Speaker, I rise on a point of order. Listening to the translation, when a lot of statistical information is being given at the speed at which the Minister of National Revenue gave it I find that it leaves the translation service away behind. Perhaps copies might be sent direct to the translation service beforehand or the information should be read at a slower speed so that all hon. members may hear what the minister is saying.

C.B.C. EXPENDITURES ON COLOUR TELEVISION

Question No. 394—**Mr. Simpson:**

1. What is the extent of the authority which has been granted by the government to the C.B.C. in relation to colour television?

2. What amount of money has the C.B.C. been authorized to spend in this regard?

3. Was an order in council passed in this respect and, if so, on what date?

Hon. Judy V. LaMarsh (Secretary of State): 1. On June 15, 1965, the government announced its willingness to permit all broadcasters, C.B.C. and private, to apply for licences for colour transmission under the Radio Act. The house was also advised on that date that the first phase of the C.B.C. entry into colour would entail estimated expenditures of some $15,000,000 and that further development would await the broadcasting committee report. Expenditures to date by the corporation, as authorized by order in council, are well within that figure.

In brief, the government has authorized the C.B.C. to enter colour, subject to the necessary approval by order in council of items of expenditure in excess of $100,000; the limitations of the C.B.C. budget and within an over-all temporary limit on capital expenditures for colour of $15,000,000. Authorization has also been given C.B.C. for the provision of colour facilities at Expo '67 to serve all foreign and domestic broadcasters and for special centennial requirements.

2. $5,731,631.36, excluding Expo and the Centennial (see note).

3. Yes. P.C. 1965-2/1711, Sept. 22, 1965. P.C. 1965-3/1879, Oct. 25, 1965. P.C. 1965-4/1879, Oct. 25, 1965. P.C. 1965-1/2077, Nov. 24, 1965. P.C. 1965-11/2175, Dec. 8, 1965.

Note: P.C. 1965-11/2175 includes $74,032.80 for Expo equipment. This amount not included in (2) above. To service all broadcasters at Expo with colour will cost an

estimated $1,000,000 more than for black and white. The planned Centennial colour coverage will cost some $1,500,000 additional.

INCOME TAX ABATEMENTS FOR RESEARCH

Question No. 414—**Mr. Saltsman:**

For the fiscal years 1963-64, 1964-65, and 1965-66, under the Income Tax Act (a) how many companies were granted tax abatements for scientific research (b) what were the names of these companies (c) what was the nature of the research carried out (d) what were the amounts of the tax abatements (e) how many companies were refused tax abatement for research (f) what were their names (g) what kind of research projects were rejected?

Hon. E. J. Benson (Minister of National Revenue): No information is available by fiscal year. (a) no tax abatement as such was granted but additional allowances with respect to scientific research expenditures under section 72A of the Income Tax Act were deductible from taxable income. The number of claims for such additional allowances was 104 (1962 taxation year), 265 (1963), 402 (1964). (b) confidential. (c) confidential. (d) these additional allowances amounted to $6.2 million (1962 taxation year), $26.2 million (1963), 1964 not yet available. (e) in the period January 1 to December 31, 1965, a total of 20 claims were refused after referral to the national research council. This is the only period for which figures are available. (f) confidential. (g) confidential.

*APPLICATION FOR TELEVISION LICENCE TORONTO

Question No. 421—**Mr. MacDonald (Prince):**

1. Is there an application before the Board of Broadcast Governors and/or the Minister of Transport on behalf of the government regarding the granting of a new television station licence in Toronto on channel 3?

2. Will there be public hearings held for the purpose of hearing the arguments both "pro" and "con"?

3. Have the owners of CKVR-TV in Barrie made application and, if so, who are the officers and directors of the company operating said station?

4. If channel 3-TV is granted in Toronto, what will be the effect on the reception in the Toronto area of the two Buffalo, N.Y. television stations that operate on channels 2 and 4 respectively?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, the answer to this question is as follows. I am informed by the Board of Broadcast Governors and the Department of Transport, first in so far as the Board of Broadcast Governors is concerned: 1. No.

2. The board cannot make recommendations on applications forwarded to it under section 12 of the Broadcasting Act without holding a public hearing.

3. See 1.

4. See 1.

In so far as the Department of Transport is concerned: 1. Yes, there is such an application with the Minister of Transport.

2. If found technically acceptable, the application would be referred to the Board of Broadcast Governors in accordance with section 12 of the Broadcasting Act.

3. Yes. R. T. Snelgrove, A. F. Waters and G. W. Stirling.

4. The introduction of a channel 3 assignment in Toronto would cause some adjacent channel interference to the reception in the Toronto area of two Buffalo stations, WGR-TV on channel 2 and WBEN-TV on channel 4, although the Canadian engineering allocation criteria for adjacent channel stations would be met.

DEMOLITION OF ROXBOROUGH APARTMENTS, OTTAWA

Question No. 430—**Mr. Caouette:**

1. Who were the tenderers for the demolition of the Roxborough Apartments corner of Laurier and Elgin Streets in Ottawa, and what was the amount of the tenders?

2. Among the tenderers, whose offer was accepted and at what price?

3. What are the criteria which justified the selection of that tenderer?

4. Why was the bid of Mr. Leopold Fournier, 46 Lorne Street, Ottawa, rejected?

[*Translation*]

Hon. G. J. McIlraith (Minister of Public Works): 1. Leopold Fournier, Ottawa, Ontario, $19,991.00; Eastern Demolishers Ltd., Ottawa, Ontario, $21,000.00; Arrow Wrecking, Ottawa, Ontario, $24,500.00; Hugh M. Grant Ltd., Ottawa, Ontario, $34,000.00; F. Thibault Lumber & Wrecker Ltd., Hull, Quebec, $34,-440.00; Boulevard Demolisher, Hull, Quebec, $34,800.00; Steve Wasylyk, Toronto 9, Ontario, $47,365.00; Panzini Ltd., Montreal, Quebec, $57,000.00; Greenspoon Bros. Ltd., Hull, Quebec, 58,000.00; Advance Lumber & Wrecking Co. Ltd., Toronto 9, Ontario, $67,974.00; Palmer Levitan Ltd., Hull, Quebec, $68,-000.00; Harvey et Fils Ltee., St. Hubert, Quebec, $77,770.00; Beechwood Steel Supply Ltd. (J. A. Cronier Co. Ltd.), Eastview, Ontario, $83,900.00; St. Pierre Construction Ltd., London, Ontario, $88,000.

2. Eastern Demolishers Ltd., 1070 Cyrville Road, Ottawa, Ontario, at the amount of $21,000.

3. The tenderer provided proof of financial capability, experience and competence.

4. In accordance with normal practice, the department obtained a report on Leopold Fournier which indicated that he did not have the resources required to ensure successful completion of this contract. In addition, the tender document submitted by Mr. Fournier was incomplete.

C.B.C. FRENCH PROGRAMS IN B.C.

Question No. 436—**Mr. Caouette:**

1. What French language programs are being offered at the present time in British Columbia on the CBC networks?

2. Does the government contemplate any action soon, so that the French speaking Canadians in British Columbia may have the same advantages on the government network as the French speaking Canadians of Quebec and, if so (a) when will this action be taken (b) what will these measures be?

Hon. Judy V. LaMarsh (Secretary of State): 1. I am informed by the C.B.C. that "Music-hall", a one-hour French language variety series, and "French for Love", a half-hour French language instructional program, are being offered on C.B.C. television. "French for Love" is also presented on radio.

2. The C.B.C. advises that it will make application for a French-language FM radio station of maximum power in Vancouver to serve the French speaking and bilingual population of approximately 45,000 in the area. The application will be filed with the Department of Transport before March 8, the cut-off date for the June public hearings of the BBG at which the application is expected to be heard.

[*English*]

FRESH WATER FISHERIES EXPENDITURES, MANITOBA

Question No. 448—**Mr. Stefanson:**

1. By years, what has been the expenditure by the government on fresh water fisheries in Manitoba during the past five years?

2. For what projects was this expenditure made, and what the location of and the amount spent on each project?

[Mr. McIlraith.]

Hon. H. J. Robichaud (Minister of Fisheries): 1.

1960-61	1961-62	1962-63	1963-64	1964-65
$140,932	$153,473	$148,573	$151,726	$177,578
35,950	49,551	54,426	56,231	64,331
$176,882	$203,024	$202,999	$207,957	$241,909

2. Expenditure for department has been for inspection of whitefish and fresh water species. Expenditure for the fisheries research board has been for population dynamics on Heming lake.

NATIONAL DEFENCE RECRUITMENT OF CHILDREN

Question No. 451—**Mr. Fairweather:**

Were the 9, 11 and 12 year olds mentioned at page 56 of the Auditor General's report for the fiscal year ended March 31, 1965, recruited as officers or men?

Hon. Paul Hellyer (Minister of National Defence): The six persons involved were recruited into the non-permanent active militia as privates.

AVAILABLE TELEVISION CHANNELS, MUSKOKA DISTRICT

Question No. 468—**Mr. Rynard:**

What channels, if any, are available for television broadcast (originating broadcasts) in the following areas (a) Barrie (b) Orillia (c) Midland (d) Huntsville?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Under the Canadian television allocation plan, (a) channels 3+, 14 and 42 are allocated to Barrie. (b) Channel 30 is allocated to Orillia. (c) There is no channel allocated to Midland. (d) Channel 8+ is allocated to Huntsville.

TELEVISION LICENCE FOR CHANNEL 5

Question No. 470—**Mr. Rynard:**

Has a decision been made to grant a television broadcasting licence on channel 5 in any of the following areas (a) Barrie (b) Orillia (c) Midland?

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

SALARY OF GOVERNMENT JANITOR

Question No. 475—**Mr. Laprise:**

1. In 1920, what was the average salary of a janitor in the government service?

2. At the present time, what is the average salary for the same job?

Hon. Judy V. LaMarsh (Secretary of State): I have been given the following information

by the Civil Service Commission: 1. The annual salary rates for janitor (caretaker) in 1920 were: $960, $1,020, $1,080. Average salary unavailable.

2. The current annual salary for the equivalent job (caretaker 3) is: $3,555, $3,705, $3,855, $4,005. Average salary for September 1965 was $3,908.

COMPLETION OF OTTAWA RIVER PARKWAY

Question No. 482—**Mr. Bell (Carleton):**

1. When is it anticipated that the eastern connection of the Ottawa river parkway to Wellington street in the city of Ottawa may be completed?

2. Has the design of such connection been approved?

3. If so, what is its nature?

4. If not, when is it anticipated that it will be approved?

5. Will the government undertake an expedited program to assure that the Ottawa river parkway will be fully completed before the centennial of confederation?

Hon. G. J. McIlraith (Minister of Public Works): 1. It is expected that the Ottawa river parkway will be connected to Wellington street and opened to traffic at the end of 1966 or shortly thereafter.

2. In the Ottawa-Hull area transportation study, a basic design has been recommended. A detailed design has not yet been approved.

3. Not applicable.

4. Since this involves concurrence by other authorities, it is not possible to give a date.

5. The government did this last year.

OTTAWA RIVER PARKWAY INTERCHANGES

Question No. 483—**Mr. Bell (Carleton):**

1. What type of interchange is planned by the National Capital Commission for the Ottawa river parkway with (a) Richmond Road (b) Carling Avenue?

2. What, in detail, are the reasons for the decision in respect of each such interchange, or in the event no interchange is actually planned for either road or avenue, for the lack of interchange?

3. What is the target date for the full completion and opening of the Ottawa river parkway to (a) Carling avenue (b) the proposed terminus of the Deschenes bridge?

Hon. G. J. McIlraith (Minister of Public Works): 1 and 2. The National Capital Commission Ottawa river parkway does not cross Carling Avenue and the Richmond Road, but the National Capital Commission driveway known as the western parkway does cross Carling Avenue and the Richmond Road. No interchange at the junction of the Richmond Road and Western parkway is proposed because traffic and design factors do not warrant a second interchange a distance of one quarter of a mile from the interchange at Carling Avenue.

3. (a) The target date for the completion of the western parkway to Carling avenue is December 31, 1966.

(b) A connection leading to the Deschênes-Britannia bridge will be built when that bridge is constructed.

VAL D'OR, QUE., AIRPORT CONSTRUCTION

Question No. 489—**Mr. Caouette:**

1. When will the construction of an airport at Val d'Or commence?

2. Were tenders asked for and, if so (a) from whom were the tenders received (b) what were the amounts of these tenders (c) by whom was the contract secured?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. On the basis of present planning construction of a terminal building should commence in the fall of 1966.

2. Tenders have not yet been called.

INQUIRIES RESPECTING CIVIL SERVICE EXAMINATIONS

Question No. 500—**Mr. Caouette:**

1. Is a Canadian citizen entitled to know if a person has passed any examinations prior to holding a position in the civil service?

2. If not, for what reason?

3. If so, to whom should such inquiry be directed?

Hon. Judy V. LaMarsh (Secretary of State): I have been given the following information by the Civil Service Commission:

1. Information concerning the examination results of persons whose names are placed on an eligible list is made readily available to anyone, since such lists are published in the Canada *Gazette*. However, information concerning candidates whose names do not appear on an eligible list is divulged only to persons considered to have a legitimate interest.

2. Having regard for the right to privacy of candidates and the possibility that the release of information could prove not only embarrassing but prejudicial to them, the commission holds in confidence information concerning candidates whose names do not appear on the eligible list.

3. See 1 and 2 above.

Questions

IMMIGRANTS WITH FARM EXPERIENCE

Question No. 505—**Mr. Watson (Assiniboia):**

1. How many immigrants arrived in Canada in 1965?

2. How many of these had previous farm experience in their own country?

3. How many of these immigrants were required to work on farms, as a condition of entering Canada?

4. What countries did they come from, and how many from each?

5. Will there be an increase in the 1966 quota to take care of the shortage of farm labor?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): 1. 146,758 immigrants arrived in Canada in 1965.

2. The Department of Citizenship and Immigration has no statistical data showing immigrants' previous occupational experience. However, all immigrants who are actually selected for migration, as opposed to those who were sponsored by close relatives, must satisfy the department that their training or experience is such as to enable them to become satisfactorily established in their intended occupation. In 1965, there were 1,179 such immigrants who listed their intended occupation as farmers or farm workers and it can safely be said that all of these had previous farm experience. In addition 1,183 sponsored immigrants indicated an intention to take up farm employment. Since occupational proficiency is not a determining factor in establishing admissibility in sponsored cases, such persons are not questioned on their previous experience. There is therefore no way of determining how many of the 1,183 had previously worked on farms.

3. None.

4. See attached list.

5. The immigration movement to Canada is not based on a quota system. While the department will continue its efforts to increase the movement of qualified persons to Canada, including farmers and farm workers, the number of persons who come forward will depend upon the demand in Canada and the number of qualified applicants overseas.

Country of last Permanent residence	Total Farmers and Farm Workers	Selected Farmers and Farm Workers (Unsponsored immigrants)
Austria	39	37
Belgium	23	22
Czechoslovakia	3	—
Denmark	74	73
Finland	8	7
France	137	125
Germany	121	114
Greece	415	8
Hungary	7	1
Ireland, Republic	8	8
Italy	223	56
Malta	11	10
Netherlands	114	107
Norway	11	10
Poland	87	—
Portugal	338	21
Spain	16	10
Sweden	6	5
Switzerland	61	57
United Kingdom	318	299
U.S.S.R.	2	—
Yugoslavia	27	2
Other Europe	1	—
Algeria	1	1
Kenya	1	1
Morocco	2	2
Rhodesia	4	4
South Africa, Republic	3	3
China and Formosa	1	—
Hong Kong	11	2
India	3	1
Japan	1	—
Lebanon	30	6
Pakistan	1	1
Philippines	3	2
Turkey	1	—
Other Asia	1	1
Australia	21	18
Other Australasia	9	9
Bermuda	10	2
Jamaica	3	1
Mexico	3	—
Trinidad	2	1
U.S.A.	139	132
Other West Indies	1	1
Argentina	1	1
Brazil	17	6
Uruguay	3	—
Venezuela	5	—
Other South America	27	4
Fiji Islands	8	8
Total	2,362	1,179

SEAL HUNTING

Question No. 508—**Mr. Tucker:**

1. How many Canadian aircraft were licensed to hunt seals in the gulf of St. Lawrence in 1965?

2. How many seals were landed by these aircraft in 1965?

3. How many ships or auxiliary vessels prosecuted the seal fishery in the gulf of St. Lawrence from 1954 to 1964 inclusive?

4. How many seals were taken by these ships in these years?

5. How many steamers prosecuting the seal fishery off the coast of Newfoundland from 1954 to 1964 were (a) Canadian (b) Norwegian (c) Russian (d) Japanese (e) others?

6. How many seals were taken by each of these ships each year?

Hon. H. J. Robichaud (Minister of Fisheries): 1. 52.

2. 18,672

3. and 4.

	Canadian		Foreign	
Year	No. of Ships	Seals Taken	No. of Ships	Seals Taken
1954.....	5	51,500	1	13,000
1955.....	7	65,000	1	13,000
1956.....	7	53,000	1	13,000
1957.....	5	52,000	1	12,000
1958.....	6	65,000	1	8,000
1959.....	5	48,000	1	12,600
1960.....	7	68,000	1	14,000
1961.....	8	32,000	1	8,800
1962.....	7	74,500	1	9,500
1963.....	6	54,500	1	18,000
1964.....	7	22,400	4	28,600
1965.....	8	42,500	Not available	

5 and 6.

1954.....	7(3)	49,000	8	61,000
1955.....	6(2)	74,000	10(1)	152,000
1956.....	4	100,000	11(1)	218,000
1957.....	8(1)	39,000	12(1)	123,000
1958.....	4(2)	15,000	13(1)	113,000
1959.....	3	43,000	13	205,000
1960.....	8(2)	56,000	16(1)	122,000
1961.....	5	13,700	14	120,000
1962.....	4	35,000	13	145,000
1963.....	7(1)	68,000	14(1)	155,000
1964.....	9(1)	61,000	13(4)	160,000
1965.....	8(4)	45,000	14	69,000

Note: Figures in brackets indicate ships which had first sealed in the gulf, then went to the front.

Note on country of origin of ships—All foreign ships sealing in the gulf of St. Lawrence (up to 1964 only) were Norwegian ships. All foreign ships sealing at the front in the period 1954-1965 were Norwegian, with the following exceptions: In 1960 to 1962 inclusive a single Norwegian sealer chartered by the Greenland administration of the Danish government sealed at the front. Catch results are officially known and are included in the totals given. In 1961 and 1963 single Russian icebreakers carried out experimental sealing at the front. Catch results are not known officially, but are believed to have been 17,000 seals in 1961 and 20,000 in 1963. These figures are included in the totals given for front catches.

HARBOUR IMPROVEMENTS, PLEASANT BAY, N.S.

Question No. 515—**Mr. Muir (Cape Breton North and Victoria):**

1. Was a contract awarded for harbour improvements at Pleasant Bay, N.S.?

2. How many bids were received for the improvements in question and what were the names and amounts of the bidders and who was awarded the contract?

3. On what date was work initiated on the harbour improvements and was the work completed and, if not, for what reason?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes.

2. In response to public advertisement, the following bids were received: Nova Construction Company Ltd., Antigonish, N.S., $259,289; Martell's Construction Ltd., North Sydney, N.S., $308,780; McNamara Construction of (Nova Scotia) Ltd., Halifax, N.S., $336,866; T. C. Gorman (Nova Scotia) Ltd., Halifax, N.S., $354,741; Atlas Construction Company Ltd., Fredericton, N.B., $399,561; Kenny Construction Company Ltd., Yarmouth, N.S., $416,200. The contract was awarded to Nova Construction Company Ltd. in the amount of $259,289.

3. Work on the approach road commenced on May 27, 1965. The work is not completed. The contractor has encountered difficulties in obtaining rock proper for use in this work.

*ASSISTANCE TO ONTARIO FARMERS

Question No. 521—**Mr. Madill:**

1. Has the government received a request from the Farmer's Union of Ontario for support for those farmers who received crop loss and damage in the fall of 1965?

2. Has a survey been taken to estimate their losses?

3. Will assistance be given to those who were unable to harvest their crops?

Questions

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, question 521 is divided into three parts. The answer to part 1 is deemed to include the answers to parts 2 and 3:

1. The government received requests from the Farmer's Union of Ontario and others for assistance in respect of crop losses due to drought and adverse weather at harvest. Last summer the government agreed to contribute one half the cost of a program in Ontario to assist cattle farmers seriously affected by drought. In the fall this agreement was extended to cover losses from adverse weather at harvest.

The program involved crop assessment by the province. Feed entitlement per animal unit was set at different levels per county in a manner to provide that production per county plus entitlement per animal unit would result in approximately the same over-all feed supply in each country. Twenby two counties were designated following the assessments, which indicates that the crop production per county in other counties was as high or higher than the over-all supply in each county assisted.

2. Answered by 1.

3. Answered by 1.

NELSON RIVER POWER

Question No. 527—**Mr. Orlikow:**

1. Have negotiations taken place between the government of Canada and the province of Manitoba with respect to the exploitation of the power resources of the Nelson river?

2. Was agreement reached for a survey as to the power potential and uses and, if so, what share did the federal government agree to pay?

3. Have these surveys been completed, or are they continuing?

4. Have the surveys reached the point where a firm estimate as to the cost of the total project has been arrived at and, if so, how much is this?

5. If such an estimate has been decided upon, has the federal government agreed to share in the cost and, if so, in what amount?

6. Has it been estimated how much surplus power could be sold to the United States?

7. Have inquiries or negotiations been carried on with potential American users as to the sale of surplus power from the Nelson river to the United States?

8. Has it been estimated at what price power from the Nelson river could be sold to the United States?

9. Has the federal government agreed to the export of power from the Nelson river to the United States?

[Mr. Madill.]

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): 1. Yes.

2. Yes, on February 18, 1963, and on May 27, 1964. The federal government agreed to pay 50 per cent of the cost of these surveys.

3. No to first part of the question and yes to the second. An interim report was tabled in the house on February 14. A final report, of technical nature, is still to be received.

4. No. The interim report of the Nelson river programming board estimates the cost of phase I at $305,000,000.

5. The federal government has agreed in principle to construct, finance and own high voltage transmission lines required to move the Nelson river power to Winnipeg, which in phase I of the developing will cost approximately $114,000,000, according to the interim report of the Nelson river programming board. The Manitoba authorities will lease and operate these lines and will have an option to purchase them.

6. It is indicated that when the entire project is completed upward of two million kilowatts surplus to Manitoba's internal needs could be made available for export for a substantial period of years.

7. Yes—by the Manitoba authorities.

8. No definitive estimates have been made.

9. Export of power from Canada to the United States is permitted subject to a license being obtained from the National Energy Board. No application has been made for such a license.

PERSONNEL STRENGTH, R.C.A.F. STATION, FALCONBRIDGE, ONT.

Question No. 529—**Mr. Fawcett:**

1. Will the (a) air force personnel, and (b) civilian personnel, at the R.C.A.F. station at Falconbridge, Ontario be maintained at present levels?

2. If not, when will reductions in (a) air force and (b) civilian staff, occur?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. (a) Yes, in so far as the foreseeable future is concerned. (b) No, establishment action has been taken to delete three kitchen helper positions to bring the messing establishment of this station in line with the Canadian forces staffing scale for messing activities.

2. (a) Not applicable. (b) 31 March, 1966.

ARMED FORCES RETIREMENTS

Question No. 536—**Mr. Lambert:**

1. During the period January 1, 1963 to June 30, 1964, how many (a) officers (b) non-commissioned officers (c) men, retired from Canada's defence forces or did not re-engage as the case may be?

2. How are these numbers distributed among the naval, ground (army) and air (R.C.A.F.) components?

3. Of these persons, how many in each category of non-commissioned officers and men had been entitled to rank or special pay for technical or specialist training?

4. Of all persons who have retired from the defence forces during the said period, how many retired (a) on reaching normal retirement age (b) at own request prior to normal retirement age (c) compulsorily for disciplinary reasons?

5. How many (a) civilian employees (b) civil servants, have been retired, transferred or laid off during the said period?

Hon. Paul Hellyer (Minister of National Defence): 1 and 2.

Service	Officers (Incl O/Cdts)	Non commissioned offrs. Cpl to WOI (equiv.)	Men (Including Apprentices)
Navy	441	764	4185
Army	955	1311	6340
Air Force	1537	1307	5143
Total	2933	3382	15668

3.

Service	Non commissioned Offrs.	Men
Navy	764	3249
Army	1311	4432
Air Force	1307	3451
Total	3382	11132

4. (a) 1505, (b) 10164, (c) 2174.

5. (a) and (b)—

	Prevailing Rate Employees	Classified Civil Servants
Retirements	220	454
Lay-offs	647	455

A separate record of employees who transferred from the department was not kept prior to Jan. 1, 1965.

ARMED FORCES ENLISTMENTS

Question No. 537—**Mr. Lambert:**

What numbers were recruited for and actually enlisted for service in the naval, ground and air components of Canada's defence forces respectively during the following periods (a) January 1, 1963 to June 30, 1963 (b) July 1, 1963 to December 31, 1963 (c) January 1, 1964 to June 30, 1964 (d) July 1, 1964 to December 31, 1964 (e) January 1, 1965 to June 30, 1965 (f) July 1, 1965 to December 31, 1965?

Hon. Paul Hellyer (Minister of National Defence):

	Navy	Army	Air Force
(a)	1618	1039	2452
(b)	1772	2652	2271
(c)	911	1790	1589
(d)	1423	2694	2132
(e)	1010	1807	1318
(f)	1282	2587	1879

STRENGTH OF DEFENCE FORCES

Question No. 538—**Mr. Lambert:**

1. What was the active strength (naval, ground and air) of the defence forces of Canada as of (a) December 31, 1963 (b) June 30, 1964 (c) December 31, 1964 (d) June 30, 1965?

2. What was the active enrolment in the militia as of the same dates?

Hon. Paul Hellyer (Minister of National Defence): 1.

	Navy	Army	Air Force
(a)	21,432	49,253	51,830
(b)	20,393	48,088	50,617
(c)	20,133	47,142	48,973
(d)	19,410	45,396	47,183

2. (a) 53,118; (b) 46,763; (c) 44,204; (d) 32,289.

CHANGE OF POST OFFICE DEPARTMENT INTO CROWN CORPORATION

Question No. 542—**Mr. Caouette:**

1. As a result of the report of Mr. Justice Anderson, does the government intend to transform the Post Office Department into a crown corporation?

2. Has the government studied the remarks of Mr. Justice Anderson and of the Mail Carriers Union of Canada, stating that the postal service should be operated as a crown corporation?

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): 1. As this is a matter of government policy, any statement that may be necessary will be made at the appropriate time.

2. The study of the remarks is continuing.

[*English*]

EXTRA DUTIES OF JUDGES

Question No. 548—**Mr. Fairweather:**

1. During each of the years 1963, 1964 and 1965, how many judges appointed by Canada were engaged in extra duties, e.g., presiding over boards and commissions either part time or full time?

Questions

2. What are the names of these judges and in what province or judicial district have they jurisdiction?

3. Is consideration being given to recruiting people from outside the judiciary for this responsibility?

Hon. G. J. McIlraith (Minister of Public Works): For the National Capital Commission: 1. Not applicable.

2. Not applicable.

3. Not applicable.

*LOBSTER TRAP LIMIT, P.E.I.

Question 565—**Mr. McQuaid:**

1. Is it the intention of the government to introduce legislation which will make effective a trap limit within lobster fishing districts 7B and 8 in Prince Edward Island?

2. Is it the intention of the government to introduce legislation limiting the operation of lobster fishing boats within the aforesaid districts to one boat in any one lobster fishing season in any one year?

3. If the answers to parts 1 and 2 above are affirmative, how soon may the introduction of this legislation be expected?

Mr. C. R. Granger (Parliamentary Secretary to Minister of Fisheries): The answer is as follows:

1. The whole problem of more effective economic management for the lobster fishery is under examination. No decision has yet been made concerning any proposed legislation to make effective such measures as limitation of numbers of traps within any lobster fishing district.

2. The reply to question No. 1 also applies. However, there is now, and has been for some time, a regulation which stipulates that except with the permission of the minister no person shall, during the open season for any year in a district, or portion of a district, use for lobster fishing any boat that has been used during that year for lobster fishing in any other district. This regulation exists by demand of the great majority of lobster fishermen. The minister permits exceptions only where a lobster fisherman may find himself without a lobster fishing boat through fire, shipwreck, or other mishap, and the only boat available to him for purchase may be one which has been used during the previous open season in another district during the year.

3. Not applicable.

GRAIN EXPORTS

Question No. 568—**Mr. Schreyer:**

1. What, in bushels and in dollars, was the total Canadian export of the following grain products in each of the last six crop years (a) wheat (b) barley (c) oats (d) rye (e) flax, and (f) rape seed?

2. What are the names of those countries that entered into negotiations with or expressed interest to the Canadian Wheat Board with a view to placing orders for Canadian grain in the current crop year?

3. Of the above countries, how many were turned away because of the inability of Canadian transportation to move the required volumes of grain?

4. What is the approximate loss of export sales owing to this turning away of import demand?

Hon. Mitchell Sharp (Minister of Finance): 1. Dominion Bureau of Statistics reports the quantity and value of total Canadian export of the following grain products in each of the last six crop years (a) wheat (b) barley (c) oats (d) rye (e) flax, and (f) rape seed, are shown in table 1 attached.

2 and 3. As a matter of commercial practice it is not the policy of the Canadian Wheat Board to divulge information with respect to the current crop year's operations. The private grain trade on their own account and acting as agents of the Canadian Wheat Board are sellers of all the grains listed in question 1. The trade's operations are of a commercial nature and information concerning their negotiations with foreign buyers is not available to the government.

4. Canada is meeting all its export commitments including those to supply our traditional markets with their normal requirements. There is no doubt, however, that Canada has been unable to meet all demands for grain from foreign buyers for shipment during the current crop year. It is impossible to be definitive with respect to the actual quantity of grain involved. Both the private grain trade and the Canadian Wheat Board have had inquiries which could not be pursued, because Canada's grain handling and transportation facilities were extended to the limit to meet existing record commitments. Additionally, foreign buyers have been aware of these heavy commitments and some may have covered their immediate requirements elsewhere.

TABLE I.

QUANTITY AND VALUE OF EXPORTS OF GRAIN PRODUCTS IN EACH OF THE LAST SIX CROP YEARS, (AUGUST 1 TO JULY 31).

	August 1, 1959 to July 31, 1960		August 1, 1960 to July 31, 1961		August 1, 1961 to July 31, 1962		August 1, 1962 to July 31, 1963		August 1, 1963 to July 31, 1964		August 1, 1964 to July 31, 1965	
	Bu.'000	$'000	Bu.'000	$'000	Bu.'000	$'000	Bu.'000	$'000	Bu.'000	$'000	Bu.'000	$'000
(*a*) Wheat	245,115	410,434	306,962	528,535	340,422	660,936	304,142	624,248	528,430	1,055,770	375,795	757,600
(*b*) Barley	59,131	63,152	39,346	40,551	39,520	48,528	10,284	13,681	40,554	48,457	34,299	46,914
(*c*) Oats	7,815	6,890	3,791	3,513	4,234	3,979	23,692	19,727	20,090	16,524	16,971	14,809
(*d*) Rye	4,750	5,629	2,681	2,850	4,690	6,873	7,009	9,575	6,157	9,299	4,523	5,848
(*e*) Flax	13,010	44,553	13,978	43,218	12,005	44,640	11,842	40,777	13,740	45,087	14,614	48,050
(*f*) Rapeseed	2,880	7,744	8,124	20,317	6,599	16,611	5,802	13,372	5,211	14,614	9,235	27,548
Grand Total	332,701	538,402	374,882	638,984	407,470	781,567	362,771	721,380	614,182	1,189,751	455,437	900,769

Questions

PRESERVATION OF INDIAN SHRINE, SASK.

Question No. 576—**Mr. McLelland:**

Has the government received a request from the village council of Elbow, Saskatchewan, requesting assistance in having a Cree Indian shrine known as the Mistaseni moved to another location so that it will not be destroyed by the creation of the reservoir in connection with the building of the South Saskatchewan river dam and irrigation project?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. Yes, I have received such a request from the secretary treasurer of the village council of Elbow, Saskatchewan. I have asked the Historic Sites and Monuments Board of Canada to place this matter on the agenda of its next meeting to be held this spring. When the board has submitted its recommendations, I will be in a position to reach a decision on this matter.

BOMB SHELTERS AND TESTING STATIONS

Question No. 579—**Mr. Watson (Assiniboia):**

1. How many bomb shelters and testing stations were installed and at what cost, in each year since 1959?

2. Were these all on railway property?

3. How many of the places so designated are now closed?

4. In how many was testing equipment installed?

Hon. Paul Hellyer (Minister of National Defence): 1. No bomb shelters or testing stations have been constructed as such. However, from 1959 to 1963, 1178 nuclear detonation and fall-out reporting posts were constructed across Canada to locate the position of any nuclear bursts and to determine the general pattern of radiation fall-out at a cost of approximately $2,600,000.

2. No.

3. 28.

4. Equipment for the location of bursts and detection of radiation fall-out is available for all posts.

RADAR STATION, BELLETERRE, QUE.

Question No. 582—**Mr. Lefebvre:**

1. When was the decision taken to build the radar station at Belleterre, county of Temiscamingue, P.Q.?

2. Was a decision taken to abandon this project and, if so, when?

3. How much money was spent on this project?

4. Will any equipment be abandoned on site and, if so, (a) what kind of equipment, and (b) in what manner will such equipment be disposed of?

5. What is the name of the contractor involved in the said project?

[Mr. Sharp.]

[*Translation*]

Hon. Léo Cadieux (Associate Minister of National Defence): 1. 29 September, 1960.

2. Yes, 30 April, 1964.

3. Approximately $156,000.

4. No equipment was abandoned on the site. Two steelox buildings, one 2,000 gallon and one 50,000 gallon fuel oil storage tanks were declared surplus and turned over to Crown Assets Disposal Corporation.

5. Joliette and Mercier Inc., Lorraineville, Que., was the contractor for the construction work at Belleterre.

U.S. MILITARY INVESTIGATION IN CANADA

Question No. 590—**Mr. Vincent:**

1. During the last few years, have socio-psychological investigations been conducted by or on behalf of the American military authorities in Canada?

2. If such is the case, has the Canadian government been consulted or informed about them, or has it participated in these investigations?

Hon. Paul Hellyer (Minister of National Defence): No, however a study of attitudes toward military service was conducted by the Department of National Defence in 1965, the results of which are being analysed now. This Canadian study parallels a similar study being carried out by the United States Department of Defence, and it is anticipated that information from the two national studies will be shared.

[*English*]

CLOTHING WORN BY FOREIGN NAVAL PERSONNEL

Question No. 592—**Mr. Nesbitt:**

1. Has the government of Canada, or any department thereof, requested the government of the United Kingdom to inform naval personnel of the United Kingdom that civilian clothes should be worn when proceeding ashore in Canadian ports or other Canadian cities?

2. Has such request been made to the governments of (a) the United States (b) France (c) any other foreign country?

Hon. Léo Cadieux (Associate Minister of National Defence): No.

HEADINGLEY, MAN. POST OFFICE

Question No. 593—**Mr. Enns:**

1. What is the increase in the volume of mail handled by the post office at Headingley, Manitoba?

2. For how many rural routes is mail sorted at the Headingley post office?

3. For how many post offices is mail sorted at Headingley?

4. Has the government any plan to expand the post office facilities at Headingley?

Hon. Jean-Pierre Côté (Postmaster General): 1. There is no appreciable increase except in householder material. There was a revenue decrease in 1964-65.

2. One.

3. Headingley and St. Francis Xavier (a very small office).

4. Not at the present time.

*AIR CONDITIONING FOR H.M.C.S. "BONAVENTURE"

Question No. 606—**Mr. Forrestall:**

In the preparation of specifications for the major overhaul and refit of H.M.C.S. *Bonaventure*, did the Department of Defence Production or the Department of National Defence include provision for the installation of air-conditioning systems?

Hon. Paul Hellyer (Minister of National Defence): The answer is yes, equipment is being purchased for installation during refit. This equipment will provide additional air conditioning to electronic compartments as well as to dining halls and living space.

*VISIT TO GREENWOOD BY AIR VICE MARSHAL REYNO

Question No. 618—**Mr. Nowlan:**

1. Did Air Vice Marshal E. M. Reyno visit R.C.A.F. Greenwood, Nova Scotia, during the month preceding the election on November 8, 1965 and, if so (a) when was he there (b) what was the purpose of the visit (c) did he address any meetings or groups of officers and/or enlisted men (d) if he did, where were the meetings held and when, and (e) what did he say?

2. Did Air Vice Marshal Reyno, or any other officer of the R.C.A.F., visit other R.C.A.F. stations in the month preceding the election on November 8, 1965 and, if so (a) what bases were visited, and when (b) who was the other officer (c) what was the purpose of the visit?

3. If Air Vice Marshal Reyno was ordered to visit R.C.A.F. Greenwood, who ordered the visit and was the order oral or written, and when was it made?

Hon. Paul Hellyer (Minister of National Defence): The answer is as follows:

1. Yes, (a) November 1, 1965. (b) A follow-up visit made by the chief of personnel on October 1, 1965. (c) Yes. (d) The officers' mess and the sergeants' mess. (e) He discussed personnel topics in relation to integration of Canadian forces headquarters and command headquarters.

2. Yes, (a) St. Hubert, Quebec; Maritime air command headquarters, Halifax, N.S., and Summerside, P.E.I. (b) Squadron Leader W. R. Windover accompanied Air Vice Marshal Reyno to all three stations, and in addition Air Commodore R. A. Gordon accompanied them to Halifax and Summerside. (c) For the same purpose as in 1(e).

3. Air Vice Marshal Reyno was not ordered to visit Greenwood. As deputy chief of personnel for the Canadian forces, the visit to Greenwood was one of a pattern of staff visits in keeping with his responsibilities.

NATIONAL GALLERY—PAINTINGS BY TOM THOMSON

Question No. 620—**Mr. Faulkner:**

1. Are there a number of sketches and paintings by the late artist Tom Thomson stored in the National Gallery?

2. If so, is there any plan to retrieve these sketches and paintings from storage and arrange for their public showing?

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

2. A number of sketches and paintings by Tom Thomson in the National Gallery Collection are on view at all times. A travelling exhibition of this artist's work is being planned for the centennial year.

CANCELLATION OF C.P.R. PASSENGER SERVICE, TORONTO-OTTAWA

Question No. 622—**Mr. Webb:**

1. Did the Canadian Pacific railways make application to the board of transport commissioners to cancel passenger service between Toronto and Ottawa?

2. If so, on what date was the application received?

3. Who authorized the discontinuance of this service?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The Board of Transport Commissioners for Canada advise as follows:

1. No formal application was made or was required. The situation was that the passenger pool train service between Montreal-Toronto and Ottawa-Toronto was discontinued by action of the railways on October 30, 1965, and each railway then proceeded on an independent course, with Canadian Pacific scheduling a morning and afternoon service

between Ottawa-Toronto. The board initiated conferences with the railways, with the object of improving the Ottawa-Toronto service. Canadian National proposed that Canadian National provide morning, afternoon and overnight service between Ottawa-Toronto, provided that Canadian Pacific withdraw from the Ottawa-Toronto and Montreal-Toronto service and give free running rights to Canadian National over Canadian Pacific trackage between Brockville-Smith's Falls. Canadian Pacific accepted Canadian National's proposal and informed the board to that effect.

2. Answered by 1.

3. The board, by its order No. 119608 of January 14, 1966.

CONSTRUCTION OF FEDERAL BUILDING, AMHERST, N.S.

Question No. 626—**Mr. Coates:**

1. Has the firm of architects been chosen for the new federal building to be constructed at Amherst, N.S.?

2. If so, what is the name of the firm and why was it selected?

3. Is there a firm of architects located in Cumberland county, was this firm considered, and if considered, why was it not selected?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes.

2. C. A. Fowler, Bauld, Mitchell. It was selected as being one of the most experienced firms in Nova Scotia.

3. An architectural firm in the county was considered, but was not selected for this particular project because it lacked the experience of the one selected.

WHARF CONSTRUCTION, CAPE SABLE ISLAND, N.S.

Question No. 628—**Mr. Bower:**

1. Has the government received any representations from the officials and/or citizens of the province of Nova Scotia in regard to the urgent need of a wharf on Cape Sable island at a point known as West Head?

2. Has any work been started on this project?

3. If not, when is it estimated that work will begin?

4. When is it estimated that the job will be finished?

5. What is the estimated cost of the completed project.

[Mr. Byrne.]

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes.

2. No.

3. An item is included in the department's 1966-67 estimates for construction of the wharf and the plans and specifications are now being prepared for a tender call this year.

4. In 1967.

5. It is not customary to reveal estimated costs before tenders have been received.

UNEMPLOYMENT INSURANCE, PONTIAC AND TÉMISCAMINGUE COUNTIES, QUE.

Question No. 632—**Mr. Lefebvre:**

How many people were drawing unemployment insurance and what was the total amount of money paid for Pontiac county and for Témiscamingue county for the period (a) October 1, 1964 to March 31, 1965 (b) October 1, 1965 to the latest date for which figures are available?

Hon. J. R. Nicholson (Minister of Labour): The unemployment insurance commission advises that such information is not available by counties.

POST OFFICE SITE, CHRISTMAS ISLAND, N.S.

Question No. 634—**Mr. Muir (Cape Breton North and Victoria):**

1. From what individual did the department concerned purchase the site of the Christmas Island post office at Christmas Island, Nova Scotia?

2. What was the cost of this site?

Hon. G. J. McIlraith (Minister of Public Works): 1. Mr. Allan MacNeil.

2. Mr. MacNeil signed an offer to sell in the amount of $500 and this offer has been accepted.

RETRAINING OF UNEMPLOYED WORKERS

Question No. 644—**Mr. Starr:**

How many persons completed their training under the retraining of unemployed workers plan (a) as of January 31, 1964 (b) as of January 31, 1965 (c) as of January 31, 1966?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): The following information covers the period beginning April 1, 1961, when the technical and vocational training agreement became effective. (a) 39,035; (b) 60,279; (c) complete information not yet reported by provinces; will be available about March 15, 1966.

RICE IMPORTS—WHEAT AND FLOUR EXPORTS

Question No. 648—**Mr. Hamilton:**

1. For the calendar years 1960-1965 inclusive, what was the dollar value of imports of (a) cleaned rice (b) uncleaned, hulled or paddy rice (c) any other classification?

2. Of these amounts, what was the value of imports from (a) U.S.A., (b) mainland China?

3. What was the dollar value of wheat and flour exports in the calendar years 1960-1965 inclusive to (a) U.S.A., (b) mainland China?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): 1, 2 and 3. Available statistics on the dollar value if imports of rice in total, from the United States and from mainland China, and on exports of wheat and flour to the United States and to mainland China during the period 1960-1965 are shown in table I attached.

TABLE I.

AVAILABLE STATISTICS ON DOLLAR VALUE OF IMPORTS OF RICE IN TOTAL, FROM THE UNITED STATES, AND FROM MAINLAND CHINA, AND ON EXPORTS OF WHEAT AND FLOUR TO THE UNITED STATES AND TO MAINLAND CHINA DURING THE PERIOD 1960-1965 ARE AS FOLLOWS:—

Imports of Rice		1960	1961	1962	1963	1964	January-September, 1965 (latest figures available)
				(In Thousands of Dollars)			
1(*a*) Cleaned Rice	Total	2,989	2,658	2,886	3,056	3,255	3,781
2(*a*)	U.S.A.	2,166	2,172	2,714	2,853	2,614	2,317
2(*b*)	Mainland China	111	—	—	—	—	—
1(*b*) Uncleaned Rice	Total	3,593	3,512	4,734	6,229	4,081	3,956
2(*a*)	U.S.A.	514	759	4,491	6,229	4,081	3,956
2(*b*)	Mainland China	—	—	—	—	—	—
1(*c*) Rice Starch or Flour	Total	145	142	196	168	144	71
2(*a*)	U.S.A.	123	112	167	128	112	37
2(*b*)	Mainland China	—	—	—	—	—	—

Exports of wheat and flour		1960	1961	1962	1963	1964	January-November, 1965 (latest figures available)
3(*a*) Wheat and flour	U.S.A.	14,746	16,980	14,892	16,307	9,170	3,031
3(*b*)	Mainland China	—	94,412	134,254	103,001	116,725	95,042

LOBSTER TRAP LIMITATION, DISTRICT 7-B, P.E.I.

Question No. 662—**Mr. MacEwan:**

Is it the intention of the Minister of Fisheries to make regulations limiting the number of lobster traps permitted for each licensed boat owner in fishery district 7-B?

Hon. H. J. Robichaud (Minister of Fisheries): Answered by question No. 565.

JEANNE-MANCE HOUSING PROJECT, MONTREAL

Question No. 664—**Mr. Caouette:**

1. What was the total cost of the Jeanne-Mance housing project in Montreal?
2. What was the federal government's share of the expenses?
3. What are the terms of payment of that project?

Questions

4. What, in detail, have been the income and expenses of the Jeanne-Mance housing project, for each fiscal year since it was started?
5. What kind of report of its activities does the corporation submit to parliament?
6. By whom is the board of managers of the corporation appointed?
7. What is the status of the corporation in relation to the federal government?
8. Is there a similar project elsewhere in Canada and, if so, where?

Hon. J. R. Nicholson (Minister of Labour): 1. $10,662,585.60. 2. The federal government's share of the capital cost was $7,996,939.20. 3. Recovery of the cost of the project will be obtained from rental revenue over a period of 50 years. Any operating deficits are shared 75 per cent by the federal government and 25 per cent by the city of Montreal.

	1959	1960	1961	1962
Project Revenue	*$ 8,140.95*	*$ 177,667.68*	*$ 461,034.25*	*$ 513,277.68*
Administrative Expenses	10,424.60	54,442.92	55,679.10	53,614.15
Operating Expenses	2,123.49	51,642.40	108,040.58	104,239.57
Maintenance Expenses	3,613.43	83,279.45	100,812.63	124,736.70
Municipal Taxes	2,713.65	48,282.77	125,746.51	135,837.46
Amortization of Investment		228,192.63	444,383.27	497,731.05
	18,875.17	*465,840.17*	*834,662.09*	*916,158.93*
Operating Deficit	$ 10,734.22	$ 288,172.49	$ 373,627.84	$ 402,881.25

	1963	1964	1965	TOTAL 1959-65
Project Revenue	*$ 540,611.52*	*$ 551,724.68*	*$ 558,239.68*	*$2,810,696.72*
Administrative Expenses	53,746.75	57,519.70	61,148.04	346,593.26
Operating Expenses	108,482.44	149,569.50	142,854.42	666,952.40
Maintenance Expenses	132,098.51	107,472.04	112,146.43	664,159.19
Municipal Taxes	134,536.95	132,680.99	134,261.19	714,059.52
Amortization of Investment	533,493.68	539,312.50	545,223.45	2,788,336.58
	962,376.33	*986,554.73*	*995,633.53*	*5,180,100.95*
Operating Deficit	$ 421,764.81	$ 434,830.05	$ 437,393.57	$2,369,404.23

5. La Corporation d'Habitations Jeanne-Mance submits monthly and quarterly operational and financial reports on its activities to the city of Montreal and to Central Mortgage and Housing Corporation. Central Mortgage and Housing Corporation, in turn, presents an annual report and financial statement to Parliament regarding the conduct of its business including its joint public housing operations of which Jeanne-Mance forms part.

6. Members of La Corporation d'Habitations Jeanne-Mance are appointed by resolution of the municipal council of Montreal, after consultation with representatives of the federal government.

7. La Corporation d'Habitations Jeanne-Mance is an agency established by a bylaw of the city of Montreal for the specific purpose of managing the Jeanne-Mance public

housing project under the terms of an agreement dated September 17, 1959, between the agency, the city of Montreal and Central Mortgage and Housing Corporation.

8. Yes. Public housing projects financed under Section 35A of the National Housing Act have been constructed or approved for development in 60 municipalities across Canada. The number of units by province is as follows: British Columbia, 1,400; Alberta, 30; Saskatchewan, 595; Manitoba, 165; Ontario, 7,035; Quebec, 796; New Brunswick, 685; Nova Scotia, 914; Newfoundland, 794; total, 12,414.

COST OF AIR CANADA PUBLICITY

Question No. 668—**Mr. Kennedy:**

How much money has been spent and how much is estimated to be spent by Air Canada on the current widespread newspaper advertising of the addition of more equipment to their service?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Air Canada advise as follows: $138,000 has been spent and $12,000 is estimated to be spent.

LIVING CONDITIONS ON NAVY SHIPS IN SOUTHERN WATERS

Question No. 671—**Mr. Forrestall:**

1. Has the government conducted any studies through its appropriate officials, with respect to the matter of living conditions on board all Canadian naval ships that may from time to time operate in southern waters?

2. If not, would such a study be considered?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. Yes, studies are continually being carried out on all aspects of ship habitability as all Canadian naval ships require to be habitable through a wide range of climatic conditions from sub-Arctic to tropical.

2. Not applicable.

ILLNESS ON NAVY SHIPS IN SOUTHERN WATERS

Question No. 672—**Mr. Forrestall:**

Have any reports been received by naval authorities from previous trips into southern waters by HMC ships regarding illness apparently brought about by heat, lack of ventilation, and overcrowding?

Hon. Léo Cadieux (Associate Minister of National Defence): There have been no reports of illness attributable to these factors.

[Mr. Nicholson.]

INTEREST YIELD ON TREASURY BILLS

Question No. 675—**Mr. Monteith:**

What is the interest yield, as established by sale of Treasury Bills, for each week since January 1, 1965?

Hon. Mitchell Sharp (Minister of Finance):

		Average yield at weekly tender of government of Canada treasury bills	
		3 Month Bills	6 Month Bills
1965		Percent	
January	7	3.80	3.93
	14	3.82	3.94
	21	3.74	3.84
	28	3.74	3.83
February	4	3.73	3.82
	11	3.70	3.80
	18	3.71	3.82
	25	3.74	3.86
March	4	3.77	3.90
	11	3.75	3.89
	18	3.70	3.82
	25	3.62	3.73
April	1	3.62	3.73
	8	3.61	3.71
	15	3.64	3.74
	22	3.67	3.77
	29	3.77	3.87
May	6	3.82	3.93
	13	3.81	3.91
	20	3.83	3.93
	27	3.90	4.01
June	3	3.96	4.07
	10	3.96	4.08
	17	3.98	4.10
	24	3.94	4.07
July	1	3.93	4.04
	8	3.97	4.09
	15	3.97	4.10
	22	3.99	4.16
	29	4.05	4.23
August	5	4.08	4.27
	12	4.09	4.29
	19	4.08	4.30
	26	4.08	4.30
September	2	4.09	4.32
	9	4.13	4.34
	16	4.11	4.32
	23	4.09	4.30
	30	4.13	4.35

		Average yield at weekly tender of government of Canada treasury bills	
		3 Month Bills	6 Month Bills
1965		Percent	
October	7	4.13	4.36
	14	4.13	4.36
	21	4.15	4.41
	28	4.15	4.40
November	4	4.16	4.42
	11	4.17	4.46
	18	4.17	4.44
	25	4.16	4.45
December	2	4.16	4.44
	9	4.46	4.70
	16	4.55	4.78
	23	4.56	4.78
	30	4.54	4.77
1966			
January	6	4.58	4.83
	13	4.60	4.84
	20	4.64	4.88
	27	4.63	4.84
February	3	4.66	4.87
	10	4.68	4.89
	17	4.69	4.90

MACTAQUAC PROJECT, SAINT JOHN RIVER

Question No. 690—**Mr. MacRae:**

Is the government of Canada satisfied that the Mactaquac project on the Saint John river in New Brunswick will not interfere with navigation on the Saint John river from Fredericton to the mouth of the river?

Hon. G. J. McIlraith (Minister of Public Works): Yes.

RE-ENGAGEMENT BONUS TO ARMED FORCES PERSONNEL

Question No. 692—**Mr. MacRae:**

Is the government giving consideration to the granting of a re-engagement bonus to members of the armed forces?

Hon. Léo Cadieux (Associate Minister of National Defence): Yes, this was announced in the House of Commons Friday, 18 February, 1966, as reported at page 1473 in the official report of the House of Commons debates.

GRANT TO SUTHERLAND MEMORIAL HOSPITAL, PICTOU, N.S.

Question No. 693—**Mr. MacEwan:**

1. Has the government approved a grant through the Department of National Health and Welfare for the construction of the new Sutherland memorial hospital at Pictou, N.S.?

2. If so, what is the amount of the grant?

Hon. A. J. MacEachen (Minister of National Health and Welfare): 1. No.

2. See answer 1. above.

LANGUAGE DIFFICULTIES OF CHILDREN OF IMMIGRANTS

Question No. 694—**Mrs. MacInnis (Vancouver-Kingsway):**

Will the government consider as part of its war on poverty the problem of language difficulties of children of immigrants with low income and their consequent inability to benefit from Canadian schools?

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): Language instruction for immigrant children who require it is provided by the provincial governments as part of their responsibility for education. Should the provinces ask for assistance in providing such instruction, the federal government would be pleased to consider such a request with them.

HARBOURS BOARD EMPLOYEES, TROIS-RIVIÈRES

Question No. 696—**Mr. Mongrain:**

1. What are the names of the employees under the control of the National Harbours Board in Trois-Rivières, the date upon which each of them began working, each employee's annual salary at the present time, as well as a table indicating the salary raises received by each of them during the last five years?

2. Were temporary workers sometimes hired, and upon what salary basis were they paid?

Questions

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

Name	Year Appointed	Annual Salary or Earnings 1962	1963	1964	1965	1966 (Present Salary)
T. Lauzon	1966	—	—	—	—	9000
J. R. Blais	1939	4920	5130	5280	5280	5491
R. Luckerhoff	1957	4200	4410	4740	4920	5304
Mrs. M. Maynard	1961	3060	3300	3600	4050	4524
R Bolduc	1955	3420	3750	4050	4410	4742
A. Garneau	1961	2970	3270	3390	3540	4212
G. Dumont	1960	3581	3919	3972	4115	*
C. E. Godin	1962	2871	3123	3681	4234	*

*Prevailing rates ($64.00 week plus overtime)

2. A casual worker is occasionally hired for temporary work at prevailing rates for the locality.

COST OF LIVING INDEX

Question No. 716—**Mr. Grafftey:**

What was the cost of living index for the period from January 1, 1965, to December 31, 1965?

Hon. Robert Winters (Minister of Trade and Commerce): Not all prices used in any month's consumer price index are collected on any one day of the month and, hence, the index cannot be described as referring to a specific day. However, the great bulk of prices recorded are centred around the first day of the month and the index therefore relates basically to the beginning of the month.

The monthly consumer price index for the year 1965 was as follows (1949=100): January, 136.9; February, 137.2; March, 137.3; April, 137.7; May, 138.0; June, 139.0; July, 139.0; August, 139.4; September, 139.1; October, 139.3; November, 140.2; December, 140.8

INVESTMENT IN HARBOUR FACILITIES, MONTREAL-VANCOUVER

Question No. 720—**Mr. Davis:**

1. What, in approximate terms, is the total depreciated investment in harbour facilities in (a) the port of Montreal and (b) the port of Vancouver?

2. What is the approximate breakdown of these total investments as between the national harbours board and other public and private owners?

[Mr. Mongrain.]

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

1. In so far as the National Harbours Board is concerned: (a) Montreal—$109,795,725; (b) Vancouver—$34,677,204.

2. No statistics available.

WATER POLLUTION, BAY CHALEUR, N.B.

Question No. 721—**Mr. Douglas:**

1. Has any study been made of the possible pollution of the waters of Bay Chaleur, New Brunswick, by effluents from the Belledune smelter complex?

2. If so (a) what recommendations were made as the result of such a study and (b) what action has been taken by the company on those recommendations?

3. What steps have been taken by the federal government to protect the offshore fishermen from the effect of any pollution of the waters of Bay Chaleur by the Belledune smelter complex?

Hon. H. J. Robichaud (Minister of Fisheries):

1. Yes.

2. Investigations being carried out by the Department of Fisheries, the fisheries research board, and the New Brunswick water authority have not yet been completed. There has been full co-operation by the company concerned, and the indications are that it will accept its responsibility for the pollution control features that may be recommended.

3. Studies thus far indicate that feasible solutions are available to solve the potential effluent disposal problems which have arisen so far in the design of the Belledune smelter complex.

CALGARY, ALTA—CONSTRUCTION OF EMPLOYMENT SERVICE BUILDING

Question No. 725—**Mr. Ballard:**

What investigation has been made of the cessation of construction since December 1, 1965, of the national employment service building in Calgary, and with what results?

Hon. G. J. McIlraith (Minister of Public Works): There has been no cessation of construction since December 1, 1965.

*CONSTRUCTION AT PRESCOTT, ONT.

Question No. 727—**Mrs. Wadds:**

What type of construction is planned under the $1,200,000 and $300,000 items listed as expenditures at Prescott in the 1966-67 estimates now tabled?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Items under vote 100 in the 1966-1967 estimates pertaining to Prescott grain elevator are for construction of wharf, $1,200,000 and renovation and renewal of electrical equipment, $300,000.

FAMILY ALLOWANCE RECIPIENTS

Question No. 735—**Mr. Godin:**

How many persons have received family allowances during 1964 and 1965 (a) in Canada (b) in the province of Quebec (c) in the county of Portneuf?

[*Translation*]

Hon. A. J. MacEachen (Minister of National Health and Welfare): As at December 31, 1964: (a) 2,736,674 families received Family Allowances on behalf of 6,790,804 children. (b) 777,900 families received Family Allowances on behalf of 2,032,207 children. (c) No statistics available.

As at December 31, 1965: (a) 2,774,463 families received Family Allowances on behalf of 6,849,095 children. (b) 790,368 families received Family Allowances on behalf of 2,041,545 children. (c) No statistics available.

OLD AGE SECURITY PENSIONS

Question No. 739—**Mr. Godin:**

1. What was the total amount disbursed by the government, as old age security pensions, during the years 1964 and 1965 (a) for Canada (b) for the province of Quebec and (c) for the county of Portneuf?

2. For the same areas and during the same years, how many persons received the old age security pension?

3. For the same areas and during the same years, how many applications were received by the government for such pensions and (a) how many of these applications were accepted and (b) how many were rejected?

Questions

Hon. A. J. MacEachen (Minister of National Health and Welfare): 1. In the calendar year 1964: (a) $880,804,251. (b) $188,349,618. (c) No statistics available.

In the calendar year 1965: (a) $900,552,699. (b) $194,214,870. (c) No statistics available.

2. As at December 31, 1964: (a) 990,652. (b) 213,444. (c) No statistics available.

3. No statistics available.

[*English*]

EXPO '67—POSSIBLE DEFICIT

Question No. 756—**Mr. Faulkner:**

1. Is there a deficit anticipated for Expo '67?

2. If so, has the government considered the possibility of a bond issue in which all citizens could participate?

Hon. Robert Winters (Minister of Trade and Commerce): 1. Yes.

2. No.

*DELAY IN FEDERAL BUILDING, CALGARY

Question No. 759—**Mr. Woolliams:**

1. Why has the construction work of the National Employment Service building being built in Calgary, Alberta, by the Department of Public Works, been at a standstill since December 1, 1965?

2. Who is the main contractor?

3. How many contractors are there?

4. What is the nature of the dispute between the department and the main contractor?

5. To the knowledge of the government how many men have been laid off as a result of this dispute?

Hon. G. J. McIlraith (Minister of Public Works): The answer to this question is as follows:

1. The construction has not been at a standstill since December 1, 1965.

2. Universal Construction Company Limited, Calgary, Alberta.

3. One.

4. There is no dispute between the department and the main contractor, but the precast concrete panels supplied were not acceptable to the consultant employed by the department.

5. Ten have been laid off as a result of the delay in obtaining satisfactory panels.

Questions

STUDY OF LABOUR DEPARTMENT BY MANAGEMENT CONSULTANTS

Question No. 760—**Mr. Knowles:**

1. Were management consultants engaged by the Department of Labour, in 1964 or 1965, to study the structure of the department and to make recommendations concerning the integration of the National Employment Service with the department?

2. If so, who were so engaged, how long were they engaged, and what was the total cost of such study?

3. Are copies of any reports made by such consultants available?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): 1. Yes.

2. Woods, Gordon and Company, Toronto, from June 24 to December 22, 1965, at a cost of $40,250.

3. Yes, copies of the final report can be made available to members of parliament through the Department of Labour.

SASKATCHEWAN—HOMES CONSTRUCTED FOR INDIANS AND MÉTIS

Question No. 764—**Mr. Korchinski:**

1. How many homes have been constructed for Indians and métis under the low-income housing in northern Saskatchewan program which was announced April 21, 1965?

2. What was the total amount of the loans granted?

Hon. J. R. Nicholson (Minister of Labour): 1. In April, 1965 the federal government and the government of the province of Saskatchewan agreed to undertake a joint program to provide housing for low income families in sparsely settled regions. The program is experimental in nature and is designed primarily to meet the needs of the métis and enfranchised Indians in northern Saskatchewan. The agreement between the federal government and the province limits the program to a period of two years and 100 dwelling units. To date, approval has been given for the construction of 12 housing units. Applications for further units are expected shortly.

2. Total amount of loans to date, $35,000.

VALCARTIER, QUE., ARMOURY SALE

Question No. 807—**Mr. Caouette:**

1. Are the negotiations for the sale of the Quebec armoury (Valcartier) ended?

2. If so, by whom was the purchase made?

3. What was the amount?

[Mr. McIlraith.]

[*Translation*]

Hon. C. M. Drury (Minister of Industry): 1. Negotiations for the sale of the Val Rose Plant of Canadian Arsenals Limited are not completed.

2. See 1.

3. See 1.

[*English*]

*REQUEST FOR ESCALATOR CLAUSE IN SUPERANNUATION ACT

Question No. 810—**Mr. Knowles:**

1. Has the Prime Minister received a letter from the secretary-treasurer of the Federal Superannuates' National Association asking that the Public Service Superannuation Act be amended so as to provide therein an escalator clause similar to that contained in the Canada Pension Plan and in the Old Age Security Act?

2. If so, what reply has the Prime Minister made thereto?

Right Hon. L. B. Pearson (Prime Minister): The answer to the first part of the question is yes.

The answer to part 2 is as follows:

In my reply to this point raised by the secretary treasurer of the Federal Superannuates' National Association, I referred to the problem of financing increases in the pensions of federal superannuates, which would involve a charge on either general revenues or the superannuation account. I said that the government does not feel justified in granting, at the expense of the public generally, a special treatment which was not received by other retired Canadians, and that because the full amount of the credit of the superannuation account was needed to meet charges on the account on the existing basis, payment of increased pensions from the account would not be actuarily sound.

QUESTIONS PASSED AS ORDERS FOR RETURNS

[*Translation*]

Question No. 39—**Mr. Allard:**

1. For the fiscal years 1964-65 and 1965-66 (a) under the Technical and Vocational Training Assistance Act, how many applications, by province, for financial assistance toward the capital cost of training establishments were approved (b) what is the amount of the federal share to be paid to each province under the said approved applications (c) how many applications from Quebec have been approved and what was, in each case, the federal contribution (d) how many applications from Quebec were rejected (e) how many applications from Quebec are still under review?

2. Under the formula of equitable distribution among the provinces of federal grants made under the Technical and Vocational Training Assistance Act, what were the amounts paid to, or agreed upon, by each province toward the capital cost of training institutions indicating in dollars and in the percentage of the total amount the amount each province is entitled to receive under the formula mentioned?

3. What is the balance due or agreed to be paid to each province according to this formula?

[*English*]

Return tabled.

PARTICIPATION BY INDIANS IN CENTENNIAL ACTIVITIES

Question No. 88—**Mr. Howard:**

1. Since January 1, 1965, has the government or any agency, department or branch thereof spent any money to bring people to Ottawa for the purpose of discussing the role which Indian people might play in the centennial activities between now and 1967 and, if so, what is the name and home address of each such person, the amount paid for his or her transportation and living expenses, the dates during which he or she was in Ottawa, the manner by which he or she was selected, and whether or not any such person is currently employed by the government or any agency or department thereof and, if so, employed in what position at what salary?

2. Since January 1, 1965, has there been any conference or other meeting held in Ottawa between the government or any agency or department thereof and any Indian people regarding activities of Indian people in relation to the centennial activities and, if so, what are the dates upon which such a conference was held, the names and home adresses of each person in attendance, the names and addresses of each person who was invited and/or selected to attend and the manner by which each was invited or selected and if any person recommended people who should be invited or selected, the name and home address of the person who made that recommendation, and the payments made to each person who attended?

Return tabled.

APPOINTMENTS TO PRIVY COUNCIL OFFICE

Question No. 105—**Mr. Ormiston:**

1. What are the names, classifications, salaries, and dates of appointment of all personnel in the Privy Council office?

2. What are the names, classifications, salaries and dates of appointment of all personnel in the Prime Minister's office?

3. How many personnel presently in the Privy Council were appointed by order in council?

4. How many personnel in the Privy Council office on April 1, 1963, were appointed by order in council?

5. How many personnel presently in the Prime Minister's office were appointed by order in council?

6. How many personnel in the Prime Minister's office on April 1, 1963, were appointed by order in council?

Return tabled.

CANADA PENSION PLAN DEDUCTIONS IN 1965

Question No. 223—**Mr. Forrestall:**

1. Did any of the operative sections with respect to deductions of the Canada Pension Plan become effective prior to January 1, 1966?

2. If so, which sections?

3. Were any Canada Pension Plan deductions made from moneys earned during the year 1965 by any employee of HMC *Dockyard*, Halifax?

4. If any deductions were made, will they be returned to the employees concerned?

Return tabled.

FISHING VESSEL SUBSIDY APPLICATIONS, ATLANTIC PROVINCES

Question No. 306—**Mr. McQuaid:**

1. How many applications for the payment of subsidies under the fishing vessel regulations 1964 have been received since June 5, 1964, from persons, firms or corporations in the provinces of Prince Edward Island, Nova Scotia, New Brunswick and Newfoundland?

2. How many applications from each of the provinces mentioned above have been approved for payment since June 5, 1964?

3. Of those approved, how many have actually been paid?

4. What are the names and addresses of those to whom payments have been made?

5. What is the length of each boat approved for payment?

6. What was the basis on which each individual payment was approved?

7. What was the amount of each payment, and the person to whom it was made?

8. What was the date of each payment?

Return tabled.

WHEAT PRICES, FORT WILLIAM

Question No. 559—**Mr. Ormiston:**

What was the average weekly price January 1, 1955 to February 11, 1966, inclusive, basis Fort William for (a) No. 1 northern wheat, class 2, wheat prices (b) No. 4 northern wheat, and (c) No. 6?

Return tabled.

Hon. Michael Starr (Ontario): At this point, Mr. Speaker, may I say that after the questions both oral and written have been answered today, there are some 75 questions remaining on the order paper which have been there for a month or more. I feel some of these questions could have been answered

sooner, and I ask the Prime Minister if he will try to persuade his ministers to pay more attention to these written questions, thereby expediting the answers and cutting down on the number of questions asked orally.

ADMINISTRATION OF JUSTICE

CONSIDERATION OF ROYAL COMMISSION TO INVESTIGATE ORGANIZED CRIME

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether the government is giving consideration to the immediate appointment of a royal commission in connection with the infiltration of organized crime into various parts, if not all parts, of this nation. Has he noted the remarks of the Minister of Justice of the province of Quebec, Hon. Mr. Wagner, to the effect that a state of emergency exists in this regard?

Right Hon. L. B. Pearson (Prime Minister): Yes, I noted these remarks. I would remind my right hon. friend also that a federal-provincial conference has been dealing with this matter, which has set up certain machinery to pursue the investigations required. I shall be glad to look into the specific proposal made by my right hon. friend.

FINANCE

REQUEST FOR TABLING OF AIDE-MEMOIRE ON UNITED STATES GUIDE LINES

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): My question is directed to the Secretary of State for External Affairs. Some time ago he promised to table the aide-memoire which the Canadian government sent to the United States government with regard to the guide lines imposed by that country. The minister has had adequate time to consult with his colleagues, and I wonder if he is now ready to table that aide-memoire?

Hon. Paul Martin (Secretary of State for External Affairs): If my hon. friend will look at what I said about the aide-memoire I believe he will find it had to do with S.E.C. regulations. I said this would be tabled at the appropriate moment. The government, through some of its ministers, will be meeting opposite numbers in the government of the United States on Friday next in Washington,

when this and other matters will be discussed. I believe it would not be in the public interest, before that meeting takes place, to have the aide-memoire tabled. I hope we can do so shortly thereafter, having in mind Canadian interests.

Mr. Douglas: A supplementary question, Mr. Speaker. When the minister appeared on national television and claimed that not only had Hon. Eric Kierans written to the United States government protesting the guide lines but that this government had also protested, did he have in mind the aide-memoire which referred only to the S.E.C. regulations, or was there another document?

Mr. Martin (Essex East): Mr. Speaker, I cannot remember what I said on television a long time ago, but I can remember what I said to my hon. friend in the house. I think if he looks at the exchange which took place on the day he asked the question and on the day after he will see that I set out the situation as I understood it to be, and as I think it had been lucidly stated the night before on television.

[*Translation*]

BUSINESS OF THE HOUSE

REQUEST FOR ANSWER TO QUESTION ON ORDER PAPER

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to direct a question to the Minister of Justice.

Since we are now considering the estimates of the Department of Justice and since question No. 577 now on the order paper seems to be quite important in the examination of those estimates, can the minister tell us if the officials of his department are giving that question all the necessary attention, so that an answer will be given to it before consideration of his estimates is completed?

Hon. Lucien Cardin (Minister of Justice): Mr. Speaker, I intend to discuss question No. 577 during the study of my estimates, probably this afternoon.

[*English*]

WATER RESOURCES

STUDY BY COMMISSION OF CONSERVATION AND FLOW

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the

Minister of Mines and Technical Surveys and follows up remarks attributed to him over the week end relating to the conservation of water resources in Canada. Does the minister anticipate in the immediate future the setting up of a commission to study the over-all picture of water conservation and flow, such as the commission already instituted by the premiers of the prairie provinces?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, this question very often comes up; when are we going to have a national water policy? It is quite difficult for me to answer this question, because everybody knows the provinces have a lot to do with natural resources; with water in particular.

I do not think hon. members should be pessimistic. A lot of good work is being done in this field at the moment. For example, a study has been started of the Ontario northern rivers. Another study is proceeding on water levels in the great lakes. About ten days ago the Minister of Agriculture and I were in Winnipeg discussing with representatives of the three prairie provinces the setting up of a board for the investigation of the Nelson and Saskatchewan basins. The conversation is going along very nicely and we are about to reach agreement in principle.

I would remind hon. members that although we do not have a sort of unitary water policy, we are nevertheless making great progress in federal-provincial relations in this field.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): A supplementary question, Mr. Speaker. I would ask the hon. gentleman whether study has been given to the recent legislation passed by the United States relating to the exchange of water in the river basins draining into lake Ontario, the St. Lawrence, Chesapeake bay and the Atlantic ocean; and what if any, in the opinion of the minister and his advisers, will be the further effect on the water levels in lake Ontario and the St. Lawrence river? Will the minister say at the same time whether this legislation has been referred to the International Joint Commission for consideration?

Mr. Pepin: Mr. Speaker, this is a question for the Secretary of State for External Affairs. But if you ask my opinion—

Mr. Diefenbaker: I can think of nothing I want to hear more.

Mr. Pepin: Thank you very much. I have read the legislation mentioned and found out that it covers only studies; it refers to funds allocated in the United States for studies of this question of reservoirs and diversions. Consequently this matter does not come yet under the boundary treaty existing between the United States and Canada. If further to these studies diversion of waters should be considered, then we would expect the United States government to consult with us.

Mr. H. W. Herridge (Kootenay West): A supplementary question, Mr. Speaker. I intended to ask the minister a question on this subject. The minister did say he was optimistic by a good many of us on this side are a bit pessimistic regarding our water policy.

Some hon. Members: Question.

Mr. Herridge: In view of the apprehension felt by many Canadians and practically all members of the opposition in this house over recent statements made by the Prime Minister and the minister with respect to the international development of Canadian water resources, and in view of the legislation passed by the United States government which was mentioned by the Leader of the Official Opposition, will the minister—I heard his reply to me but it was not quite satisfactory—do what he can to promote an agreement between the provinces and the federal government so we can have an early announcement of what is our water policy in this country?

Mr. Pepin: Mr. Speaker, I have already given, in the short period of time which is allocated to us, three wide areas of federal-provincial co-operation on water supply and use. I could go on, but I do not think hon. members should be too pessimistic about this. As far as I am concerned I am giving the matter all my attention.

POST OFFICE DEPARTMENT

U.S. MAIL OFFERING OBSCENE FILMS AND LITERATURE

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to ask the Postmaster General whether he would investigate mailings from a firm in Winnetka, California, which sends unsolicited mail to many businesses and homes in southern Ontario, particularly in the Toronto and Oshawa areas, offering for sale obscene films and literature. Many residents

are complaining about this, and I wonder whether the minister would investigate to see what can be done about halting the delivery of this mail.

Mr. Speaker: Order, please. The hon. member for Ontario has made a suggestion to the minister. I am sure the minister will take note of it, but this is not a question for this time of day.

OLD AGE ASSISTANCE

PETITION REQUESTING INCREASE TO $100 PER MONTH

On the orders of the day:

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, I have a question for the Prime Minister. Did the Prime Minister receive a petition from the senior citizens from Spiritwood district in Saskatchewan requesting that the old age pension be increased to $100 a month? Does the government intend to take any action on the request of these pioneer citizens who are in great need at this time owing to the high cost of living?

Mr. Speaker: Order, please.

Mr. Cadieu (Meadow Lake): Mr. Speaker, I think the Prime Minister should let us know whether or not he has received such a petition.

Mr. Speaker: I suggest to the hon. member that it is not in order at this time to ask whether the Prime Minister or any minister has received a petition or a letter. Many members receive petitions and letters every day, and if they were allowed at this time, during the short period available for questions, to ask members of the government whether such petitions, letters or requests had been received by them we should, I think, make very little progress. I suggest that the hon. member might wish to put his question on the order paper.

ENERGY

APPLICATION FOR SECOND GAS TRANSMISSION LINE THROUGH U.S.

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I should like to direct a question to the minister of mines or to the minister in his capacity as minister of resources, or I will address it to the Prime Minister.

May I preface my question with one sentence. There is an application pending before the National Energy Board at the moment for a permit to export six trillion cubic feet of Canadian natural gas from western Canada by pipe line. Does the minister and his government take the position that a second gas transmission pipe line can now be constructed from Caanda through the U.S.A. without referring the matter to parliament and getting parliament's approval of such an enterprise? Or has approval now been granted?

Mr. Speaker: Order, please. Certainly the first part of the question is not in order. The hon. member is making an argument and putting the question in such a way that it suggests its own answer, which is not in accordance with the rules.

Mr. Woolliams: Then may I put the question in this way. Has approval been given for the building of a second trans-Canada pipe line out of Canada through the United States?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, this question is before both the United States federal power commission and the Canadian National Energy Board, so it would be improper for me to comment on the matter at this time.

[*Later:*]

Mr. Woolliams: Mr. Speaker, my question arises out of an answer given by the Minister of Mines and Technical Surveys respecting export and import permits for the National Energy Board. Is the matter of building a second trans-Canada or pipe line before that board or is it before the government?

Mr. Pepin: Mr. Speaker, I understand this is the question that is before the board.

AGRICULTURE

SASKATCHEWAN—DELAY IN SUPPLEMENTARY CREAM PAYMENTS

On the orders of the day:

Mr. E. Nasserden (Rosthern): I have a question for the Minister of Agriculture. Has Mrs. Lenore Andrews been authorized to speak for the Department of Agriculture with regard to difficulties in cream supplementary payments? Mrs. Andrews is a prominent Liberal in Prince Albert and is president of the Saskatchewan Women's Liberal Association.

Mr. Speaker: Order, please. A question should seek information, not give information.

Mr. Nasserden: I was raising a serious matter, Mr. Speaker. The lady in question is faced with a real difficulty in connection with this payment—

Mr. Speaker: The question may be serious, but it should not be asked at this time. The hon. member might wish to place it on the order paper.

Mr. Nasserden: Could the Minister of Agriculture tell us the extent of the difficulties which have arisen with regard to supplementary cream payments in Saskatchewan?

Mr. Speaker: I suggest that the hon. member place his question on the order paper.

NORTHERN AFFAIRS

REPORTED DISCOVERY OF OIL ON MELVILLE ISLAND

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Minister of Northern Affairs and National Resources or, if he is not the appropriate minister, for the Minister of Mines and Technical Surveys. Is there any information available about a recent important discovery of oil on Melville island in the Northwest Territories; and can the hon. gentleman tell us anything about the way in which this discovery was made?

Mr. Speaker: Order, please. This does not appear to be a question which should be asked at this time and I invite the hon. member to place it on the order paper.

Mr. Winkler: With all deference, Mr. Speaker, I suggest this is of great national and even international importance.

CANADIAN CONSTITUTION

SUGGESTED STUDY BY PARLIAMENTARY COMMITTEE

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr Speaker, some weeks ago the Prime Minister informed the house that the government was seriously considering the establishment of an all-party parliamentary committee to study questions relating to the Canadian constitution. I should like to ask the Prime Minister whether this matter is still receiving active consideration by the government and whether we can expect an announcement in this regard fairly soon.

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, but no decision has yet been reached. I hope one will be before long.

HARBOURS

VANCOUVER AND VICTORIA—REQUEST FOR STATEMENT ON DEVELOPMENT

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, my question is directed to the Minister of Transport. Is it correct that the Minister of Transport together with the Minister of Labour and the minister of northern affairs will be visiting the harbours of Vancouver and Victoria between March 4 and March 7? If it is correct, will the minister be making an announcement on his return concerning the development of Vancouver harbour and adjacent areas?

Hon. J. W. Pickersgill (Minister of Transport): Mr Speaker, I hate to forecast announcements.

WATER RESOURCES

PEMBINA RIVER—INQUIRY AS TO COMMISSION REPORT

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I regret I was unable to discuss this matter which the Secretary of State for External Affairs before the house sat but I have a question to address to him which he would perhaps like to take as notice. Would the minister inquire when the government can expect a report from the International Joint Commission with regard to the development of the Pembina river project in North Dakota and Manitoba?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I shall make immediate inquiries and let the hon. member know tomorrow.

LABOUR CONDITIONS

WINDSOR—PROSPECTIVE LAY-OFF OF FORD WORKERS

On the orders of the day:

Mr. Max Saltsman (Waterloo South): Mr. Speaker, I should like to direct my question to the Minister of Industry. It is with reference to a meeting held on Friday in Ottawa between representatives of the Department of Industry and representatives of local 200 of the United Automobile Workers, Windsor, regarding projected lay-offs of workers at the Ford Motor Company of Canada. I should

like to ask the minister whether he gave the U.A.W. assurances that his departmental officials would make representation to the Ford Motor Company on behalf of the U.A.W. and, if so, what progress has been made with those representations?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I myself was not present at this meeting but I am advised—

Mr. Knowles: By whom?

Mr. Drury: —that the appropriate action was taken by the Minister of Citizenship and Immigration, assisted in this matter by my hon. friends from Essex East and Essex West.

Mr. Saltsman: Then may I direct my question to the Minister of Citizenship and Immigration?

[*Translation*]

Hon. Jean Marchand (Minister of Citizenship and Immigration): As the hon. member mentioned, we met a delegation from local 200 of the United Automobile Workers. They stated their problems at length, more particularly the lay-offs and the exodus of certain tradesmen to the United States.

The Ministers of Industry, Labour and myself have agreed to co-operate in finding a solution to those problems and also to send someone there to check the facts on the spot, at the resquest of local 200 representatives.

[*English*]

Mr. Saltsman: Because of the urgency of this situation—these lay-offs are to occur on March 4—can the minister inform the house when he is likely to have an answer to this particular problem?

[*Translation*]

Mr. Marchand: Mr. Speaker, I will inquire and possibly answer tomorrow on what may have been done.

[*English*]

HEALTH AND WELFARE

COMMITTEE CONSIDERATION OF SENATE RECOMMENDATIONS ON AGING

On the orders of the day:

Mr. J. E. Brown (Brantford): Mr. Speaker, my question is for the Minister of National Health and Welfare. In the light of assurances that consideration is being given by the government to recent proposals of the special committee of the Senate on aging, can the hon. gentleman advise us whether this subject might now be referred to the standing committee on health and welfare in order to give members of parliament from all parties an opportunity to make representations of a non-partisan nature, which will represent an effort by parliament as a whole to bring financial relief to our senior citizens?

Some hon. Members: Hear, hear.

NORTHERN AFFAIRS

REQUEST FOR EXTENSION OF ROADS TO RESOURCES PROGRAM

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Northern Affairs and National Resources. The announcement he made earlier today recognizes the potentialities of the north. Is the minister now in a position to invite the provinces to submit proposals for a new five year plan under the roads to resources program?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I think the best answer I could make to the hon. member would be to say that this section of my department was transferred to my colleague, the Minister of Mines and Technical Surveys.

Mr. Korchinski: Then could I direct my question to the appropriate minister?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, the roads to resources program was intended to last a certain period of time. I am told that some provinces have yet to complete their use of the program, and this has to be borne in mind as the government gives consideration to a possible extension of the program. The question is being studied.

Mr. Korchinski: Inasmuch as there have been ad hoc extensions of the original program, is the government now giving consideration to setting aside certain funds so that interested provinces can avail themselves of them as they see fit?

Mr. Pepin: I said a moment ago that we were now studying the effects of this program. Decisions for the future will be taken on the basis of this study.

LOANS TO PROSPECTORS FOR RESOURCE DEVELOPMENT

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources in relation to the announcement he made today concerning loans for the development of resources in the territories. Can he tell us whether money will be available from this fund for loans to individual prospectors to carry out the work they normally do?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, my answer to that would be that the advisability of making a loan will be judged on the basis of the individual application.

EXTERNAL AFFAIRS

GHANA—INSTRUCTIONS TO CANADIAN MILITARY TRAINING TEAM

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, a question for the Minister of National Defence. Can the minister now inform the house whether any official instructions have been sent to the Canadian military training team in Ghana and, particularly, whether there has been any change in its activities?

Hon. Paul Hellyer (Minister of National Defence): No, Mr. Speaker, there has been no change.

CANADA LABOUR CODE

ONTARIO—DEFERMENT APPLICATION BY AUTOMOTIVE TRANSPORT ASSOCIATION

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a question to the Minister of Labour. On Wednesday last the hon. member for Burnaby-Coquitlam asked the minister whether he would consider making a decision as soon as possible on the application for deferment of part 1 of the Canadian Labour Code by the Automotive Transport Association. The minister stated he would be glad to give consideration to this suggestion. May I ask the minister whether he has now given the matter his consideration and whether he can give an answer today in view of the fact that the truckers' strike is still continuing?

Inquiries of the Ministry

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, on the same day the hon. member for Burnaby-Coquitlam asked his question I received a long letter on the subject from the hon. member who has just spoken, and I answered that letter at some length today.

I suggest he might consider it and renew the question tomorrow if he thinks it advisable.

Mr. Lewis: I shall live in anticipation until I read the letter.

SHIPPING

ST. LAWRENCE RIVER—ARRANGEMENTS FOR MEETING RESPECTING SAFETY

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the Minister of Transport. Have arrangements been made yet for a meeting with the appropriately interested parties with respect to safety measures on the St. Lawrence river and seaway?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I understand such arrangements are being made.

NATIONAL DEFENCE

CYPRUS—ROTATION OF CANADIAN FORCES

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Will Canada continue to supply troops to the United Nations peace keeping force in Cyprus? If so, will the rotation take place in March and what units will replace the present ones?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I am informed that the mandate will be extended. I shall take as notice the question regarding the actual rotation date and units.

FISHERIES

SEALS—INQUIRY AS TO AMENDMENT OF REGULATIONS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Fisheries possibly I should direct this question to the Prime Minister. It is of pressing importance because sealing operations, so far as individuals are concerned, open tomorrow.

Inquiries of the Ministry

Would the Prime Minister say whether there has been any effective change in the regulations so that Canadians may be assured that cruel and inhumane practices will end? I ask this in view of the fact that recent articles indicate that the regulations do not cover the situation and the inhumanity of the past will not be obviated unless there is unusual vigilance and action on the part of the Department of Fisheries.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I know the minister has been concerning himself with this matter, especially in the light of certain reports that have appeared. He will be in his place tomorrow, and I shall ask him to deal with the question at that time.

LABOUR RELATIONS

SARNIA—REQUEST FOR CONCILIATION BOARD AT POLYMER PLANT

On the orders of the day:

Mr. H. E. Gray (Essex West): Mr. Speaker, I should like to direct a question to the Minister of Labour. Has any action been taken yet on the request for a conciliation board which I understand has been received from the president of the union at the Polymer Corporation in Sarnia?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, that telegram was received only this morning. I hope to have the matter investigated and have something to report in a couple of days.

AGRICULTURE

INQUIRY AS TO MEETINGS WITH FAIR ASSOCIATIONS

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. Can he advise the house whether results can be expected as a consequence of recent meetings with representatives of fair associations and other interested persons?

Mr. Speaker: Order, please. The immediate urgency of this question is not apparent to the Chair. Perhaps the hon. member would put it on the order paper.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Would the minister say whether he has reinstated capital grants for class B fairs?

[Mr. Diefenbaker.]

Mr. Speaker: I would invite the hon. member to place that question also on the order paper.

[*Translation*]

ADMINISTRATION OF JUSTICE

MONTREAL—INVESTIGATION INTO DEATH OF LAWYER

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to direct a question to the Minister of Justice.

In view of Mr. Claude Wagner's statement to the effect that the hon. member for Yukon (Mr. Nielsen) was duty bound to tell the provincial police everything he knew concerning the death of Mr. Payette, the lawyer, could the minister tell the house whether he has learned anything from Mr. Wagner about steps taken by the hon. member for Yukon to inform the Quebec provincial authorities?

Mr. Speaker: I am sure that the hon. member for Lotbinière will take into account the fact that the estimates of the Minister of Justice are before the house and that this will give him an opportunity to ask him his question.

[*English*]

AIR CANADA

WINNIPEG—REPORT OF INQUIRY RESPECTING MAINTENANCE BASE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Minister of Transport whether he has yet ascertained the location of the Thompson report?

Hon. J. W. Pickersgill (Minister of Transport): No, sir.

Mr. Knowles: As a supplementary question, has the minister made inquiries since last Tuesday to find out where the report is?

Mr. Pickersgill: Yes, sir.

Mr. Knowles: As a further supplementary question, can the minister tell us what he has learned as a result of such inquiries?

Mr. Pickersgill: I shall try to do so tomorrow, sir.

THE SENATE

REQUEST FOR TABLING OF CORRESPONDENCE FOLLOWING APPOINTMENTS

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the general interest in

the Senate brought about by the recent appointments to that place, would the Prime Minister be prepared to table the large number of letters, telegrams and other missiles that his appointments have inspired?

Mr. Speaker: Order, please.

DIVORCE

INQUIRY AS TO CONSIDERATION BY ROYAL COMMISSION

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I wish to direct a question to the Prime Minister. Recently the premier of Ontario said there ought to be a royal commission on divorce. Is the Prime Minister of the opinion that the standing committee on justice and legal affairs is competent to handle this matter without the establishment of a royal commission?

Mr. Speaker: This question is out of order.

• (3:40 p.m.)

SUPPLY

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

DEPARTMENT OF JUSTICE

Legal and Other Services—

1. Administration including the office of the superintendent of bankruptcy, grants and contributions as detailed in the estimates, gratuities to the widows or such dependents as may be approved by Treasury Board of judges who die while in office and authority to make recoverable advances for the administration of justice on behalf of the governments of the Northwest Territories and the Yukon Territory, $2,504,300.

The Chairman: Shall vote No. 1 carry?

Mr. Diefenbaker: Mr. Chairman, naturally we are awaiting with bated interest the reply that will be given by the Minister of Justice to the various questions that have been propounded and are as yet unanswered. I intend to deal now with only two matters while awaiting the response of the minister regarding questions that are of pre-eminent importance.

During the question period I asked the Prime Minister whether his attention had been drawn to the views expressed over the week end by the minister of justice of the province of Quebec and what the government's stand would be respecting the convening of a royal commission to look fully into the whole field of crime. Canadians as a whole have been shocked, even dumbfounded by the revelations of the last year or so, and everywhere there is a demand that the situation be looked into to see whether the administration of justice has been subject to infiltration by gangs, thugs and Mafia dominated individuals. I think the demand for a royal commission which I had the honour to make months ago has been reinforced by events during the passing months.

Only on Friday the hon. member for Yukon again repeated that request. I cannot understand the government's position. The government has before it the facts revealed in the Dorion Commission inquiry and the complaints that have been made by the Ontario Crime Commission respecting the failure of the Department of Justice to reply to letters regarding international criminals. These things make one wonder why a royal commission representative not only of the federal government but the provinces should not be set up.

The division of responsibility in the administration of justice demands that there be representation from both jurisdictions on the commission. The Prime Minister stated today that this matter was before a dominion-provincial conference. That is no answer. More and more fields of endeavour that should be before the House of Commons are receiving the attention of dominion-provincial conferences and the House of Commons representing the people receives little or no information regarding these matters.

I would simply quote the words of the minister of justice of the province of Quebec who stated over the week end:

> Organized crime has created a "veritable state of emergency". . . . "It has become more and more evident that organized crime, not only in Quebec but in the whole of the country, has created a veritable state of emergency." . . .
>
> Mr. Wagner recalled that a royal commission investigation into crime is not a new idea—he had made the same suggestion when he was Crown Attorney and when he was a Judge of the court of sessions here.
>
> "What I had in mind then is precisely a commission of national scope which would bring witnesses from all corners of the country because it is now public knowledge that organized crime knows no provincial boundaries. A local inquiry would not uncover what a royal commission or what a national commission would reveal."

The support of the minister of justice of the province of Quebec, a man who has had experience both as a prosecutor and as a local judge, gives added emphasis to the need of action in this regard.

I am now going to refer to the Spencer case because I want the minister to know and the Prime Minister too that it is not a dead

issue. We want the facts. More and more it is becoming a question of whether or not the government can stand against public opinion which generally has demanded an investigation into the circumstances, the strange, bizarre circumstances of the Spencer case. It is parliament's responsibility. It has been interesting to find that while up to very recently, outside of the press across Canada which is almost unanimous in a demand for action in this regard, we in the opposition had not been able to secure support from members sitting on the Liberal benches supporting the government, the other day there were revelations. One was by the hon. member for York-Humber in a most striking presentation. There was no evasion, there was a directness in the expression of his view which cannot be wiped aside.

Even in the mind of the hon. member for Verdun, who has a reputation for qualified viewpoints, suspicion is beginning to be aroused. He wants to know why no action has been taken. What action there has been, has been bureaucratic, dictatorial, and completely without precedent. This man was designated by the Minister of Justice. He found his way on to the television screens of this country and he designated this man and identified him. Earlier there had been some reference to him.

According to Lord Hewitt, "the only things that interfere with the absolute power of bureaucratic government are the sovereignty of parliament and the rule of law". If a poll were taken of members of the house, I think it would be overwhelmingly in favour of the need for investigation into this weird case. Let me point out how difficult it is to obtain information. The hon. member for Battle River-Camrose on January 21 placed the following questions on the order paper and they have hibernated there ever since:

1. Were alleged security or espionage offences committed by Victor G. Spencer, now of Vancouver and, if so, what were they and when did these alleged offences take place?

2. What year did he come to Canada, and from what country?

Who is hiding the facts here? Sir, is it not strange that questions like these remain on the order paper for a month and ten days without being answered. What are they hiding? What are they concealing? What are they afraid of? I realize that this government has established an international reputation as a bumbler. Indeed, the Parliamentary Secretary to the Prime Minister, speaking on international affairs the other day in Edmonton, said, "we have to stumble to a stalemate". That is what this government has done. That is its policy, its attitude; it refuses to face facts.

All across this nation there is a demand for action and the Prime Minister has intensified that demand by an explanation which certainly did not explain. Indeed, the Montreal *Star,* which never has been known as one of the government's most active critics, on February 25 said in an editorial headed "The Spencer Case Is Not Closed":

• (3:50 p.m.)

So far as Mr. Pearson is concerned the Spencer case is closed. The Prime Minister may be happy about it all, quite convinced that the interests of national security are not jeopardized, and that no injustice has been worked. No one else is so easily convinced and the suspicion will not down that in this, as in perhaps other cases, the government has something to hide. It has at any rate fumbled and can satisfy the public that justice has been done only by bringing Spencer to trial or instituting a judicial inquiry.

I immediately add that when the government says security procedures might be revealed I accept that explanation, but that does not justify the refusal to call together an inquiry presided over by a judge or judges sitting in camera. We want to know whether the rights of Canadians can be shamelessly swept aside.

The last paragraph of this article states:

Objections to the government's course of action in the Spencer case are not based on sympathy for Spencer. He himself created the publicity that now surrounds him by identifying himself in connection with the ousting of two Russian representatives. What gives cause for concern is the government's assumption that whenever it sees fit it can sidestep justice and deal with people as if we were living in a police state.

That is what has happened here. Surely the shades of 1945 and 1946 are not returning. I intend to ask questions to which we want answers. These are not questions that will interfere with national security but we want to know about a few of the things that have been hidden in fog, smokescreen and mystery to such an extent that people are beginning to wonder why the government has hidden them if there is nothing to hide.

Let us consider how the government started in this matter. It began by giving the explanation that Mr. Spencer had to be subjected to what one would call protective surveillance in order to protect the nation. Then the minister let the cat out of the bag when he said: We are not doing it for that reason because he never endangered the

security of the state. The security of the state is not in jeopardy because he is wandering around wherever he may be.

Mr. Woolliams: The second explanation was that they were protecting him.

Mr. Diefenbaker: There was mention of previous cases. What was done in previous cases where complete secrecy was maintained? No names were given in those cases. Why is this man denied a hearing? What stage have we reached in this country when a Canadian, whatever his record may be, and apparently it cannot be very serious because the minister says that the security of the nation was never in danger, is told that he is out of a job but wherever he goes he is going to have somebody with him? If that is not a form of open arrest I do not know what else it is.

The government decided that the first explanation was not very good because it gave all the earmarks of a police state, and they altered it. What a tangled web of circumstances. The explanation was then given that he was being followed in order to provide protection of his own person, because they do not want him to be subjected to physical danger from the communists, but surely nobody believes that possible.

Surely no one could be gullible enough to accept the first theory that he was being followed to assure that he would do no wrong and then the amended form, that he is being followed for that purpose and also to preserve his precious being. Let us get the story straight. These people cannot have it both ways. In a democratic state there is certainly a difference between protection by law enforcement officers and surveillance of a person because he might commit a criminal offence. If it was intended for the sake of protection, all I say is that even a lawyer without experience would not have used the word "surveillance". I suggest these people changed their story to meet the criticism. There can be no justification for this nation putting anyone under protective custody or keeping him under open arrest in the circumstances that have been revealed so far.

I was not in the house at the time but I was amazed to know that the Prime Minister had said, as reported at page 1683 of *Hansard* for February 23:

> I do not believe his rights as a person or as a citizen have been violated.

I should like to ask at what stage he would consider rights to have been violated if this is not a violation. He said that Spencer had not complained. Have they interviewed him or have the R.C.M.P. interviewed him to find out whether he basks in the sunshine of notoriety with police officers on his trail wherever he goes? Has there been any correspondence with him? Surely it would not interfere with security of the state if this were revealed.

The explanation that has been given, the secondary revised version, is nothing but pharasaic cant and hypocrisy. The government started out by saying that this man was being followed and kept under surveillance. Surveillance means the following of a person for the purpose of assuring that he does not commit a crime or to ascertain whether or not evidence can be obtained against him regarding a crime.

Surely there can be no successful denial of this fair request for a judicial inquiry behind closed doors. Such an inquiry would permit a judicial declaration whether security would be harmed if this man were given his day in court. I hope never again will a royal commission be subjected to a suggestion by the Prime Minister or any other minister of the government to the effect that its findings do not meet the sensibilities of the Prime Minister or another minister and that the evidence given under oath should be changed and altered by an ex-parte statement not under oath. Surely that case of asking a judge to change his judgment after it had been delivered and tabled in parliament was the height of indiscretion and worse.

The Prime Minister laughs. He got in touch with the head of a royal commission and said: Your finding is not right.

• (4:00 p.m.)

The former minister of justice said, "That is what I said, but what I should have said when I did not say it was what I would have said if I had thought it over. This is what it will be." What nonsense is this? It was one of the most serious invasions of judicial independence that has ever been seen in this country. Yet they smile. One remembers the words of William Cullen Bryant which are as true today as when they were uttered, "O freedom, close not your eyes. Its opposition never sleeps." What we are asked to do in this case is say, "Begone, freedom. Exit the rights of individuals who only ask that they be tried for their alleged wrongs."

Why is no action being taken in the Spencer case? It is for the government to say. They have had to change their story as to the reason he is being followed. Why? Spencer said, "If they do anything with me, heads will swim". Whose heads? What heads? A little later, on December 26, Mr. Peter Trueman reported in his column that Spencer had said that if the federal government prosecuted him on espionage charges, high-ranking officials in Ottawa would suffer. Those are strong words. Who are these heads? The former minister of justice, with that urbanity he shows whenever justice is trampled on, smiles and sneers. I say to him: Who are these people?

There should be a royal commission, behind closed doors if necessary. I will go along with the government on that even though I do not like closed-door investigations. But under the circumstances an inquiry should be conducted by a judge if there is danger of the revelation of counter-espionage. A judge can hear, sift and conclude. Surely we have not come to the stage in this country where a person can be named, charged with a heinous crime, the most serious crime against the state, publicly branded and maintained in a state of continuing open arrest without a proper inquiry.

The excuse might be offered: Well, this man tried to undermine the state; therefore he should not have the rights of all other citizens. If that press release was based on fact, everything about his conduct was despicable and worthy of punishment. But to condone wrongdoing on the part of the state on the ground that the wrongdoing by the victim might reveal certain information is anything but what one should expect. Even at this late date there should be an inquiry into this matter. When I raised this question the Prime Minister at first said he would consider it even though the Minister of Justice had swept it aside. What a sinuous course the present Minister of Justice followed. When the election was on he said, "I am not looking into the case."

I will be very glad to quote the speech of the Minister of Justice in this regard because I always come with the necessary material. He said he was not looking into the case then. That is what he said and I shall quote from the speech in a moment. Then he left the impression that there would be an investigation along the line of a commission. Once the election was over and that sort of attitude had achieved its purpose, suddenly he changed his viewpoint.

I point out that across the country, as I said a moment ago, the press almost unanimously demands action. *La Presse,* the *Globe and Mail, Le Devoir,* the Montreal *Star,* the *Gazette,* the Toronto *Telegram*—everywhere, without regard to party considerations, there is a demand for action. But this government stands adamant. Why? Whose heads will roll? What revelations will be made? Sir, that is what parliament is for, to see that the nation's security shall be protected and the rights of the individual shall not be denied unnecessarily.

Even in the days of war, as the hon. member for York South said, a man had greater rights. During the days of World War II I sat on the committee considering the defence of Canada regulations. Many persons were interned because of the exigencies of war who later had to be released. In this case, sir, the Bill of Rights has been shockingly violated. There has been a gross perversion of the elementary principles of right. I say, on the basis of very full study, that what has been done to Spencer serves neither justice nor national security. He has been scourged by despotism. He has been denied human rights. The government that will not place him in the dock will place him forever in a pillory.

Surely ordinary justice demands that a man be judged according to law. This man has been judged outside the law. He has been convicted without evidence by the jury of public opinion. He has been punished without verdict. For the rest of his life he carries with him the stigma of a traitor to his country.

I have some questions I want answered, although on the basis of information to date it is with trepidation that I even advance them. I am going to read, because I think it should be on the record, the press release issued by the Department of External Affairs on May 8. Before I do, I ask the minister to reveal this fact; it cannot interfere with the security of the nation. Was it in the month of January or February or March or April that the first suspicions came to the attention of the Department of Justice regarding the proclivities of this man or did the wrongdoing only come to light a day or so prior to May 8?

• (4:10 p.m.)

This is very important. When this matter was revealed that great body of men, the R.C.M.P., was under attack in connection

with the Dorion inquiry. How did it come about that the Spencer case, at that significant moment, should be brought to light? If the alleged offences took place in the month of April or early May it is understandable. When did these alleged offences take place?

They say they have no evidence. On more than one occasion wrongdoers, communists, who have come into Canada to undermine the state have been told to get out; they have been sent back. Indeed, the experience of our country, the United States and the United Kingdom has been that many of these people who come in under the guise of diplomacy use that as a camouflage for wrongdoing against the country to which they are accredited. Let us read what this press release says:

> The Department of External Affairs today announced that the ambassador of the Soviet Union was requested on May 4 to arrange for the departure from Canada of two members of his mission, Mr. A. E. Bytchkov, of the Commercial Section, and a Chancery clerk, Mr. V. N. Poluchkin.

I pause here to suggest that a man in the commercial section, who did not enjoy diplomatic immunity, was allowed to leave. I am talking about the commercial section.

> The Canadian government had learned that they had engaged in activities incompatible with their official status and had, therefore, found it necessary to declare them persona non grata. They left Canada on May 7.

Listen to this, and this is the Department of External Affairs speaking:

> In one instance a Canadian civil servant was paid thousands of dollars to gather information and documentation in Canada, the purpose of which was to assist in the establishment of espionage activities in Canada and other countries, and to perform economic intelligence tasks, including the provision of detailed information on the Transmountain pipe line system in western Canada.

The question I ask is this: Many thousands of dollars were paid to this man Spencer according to this record but today you say you have no evidence sufficient to convict. You issue this statement on the eighth day of May. In what other countries were these espionage establishments to be brought about? This information would not reveal anything of importance to our security. You have already said thousands of dollars were paid. We ask, how many? Let us see how big this is. How many individuals were approached by this man. How much was paid to him? You must have all this information. How many payments were made and over what period of time? Let us have that information. The security of this nation will not be undermined by this information.

Then, what about the naturalized Canadian citizen who was paid thousands of dollars to provide technical information? He is free because he assisted. Of what is he free? His name remains among the great incognitos of our country. What did he do? He endeavoured to compromise other Canadians, including female employees of the government, with the object of securing their assistance in obtaining access to classified information. The minister shakes his head in a horizontal motion, which means no. This is what it says in the press release from which I am reading issued by the Department of External Affairs. The Minister of Justice says there is nothing in that. What kind of press release is this to emanate from the Department of External Affairs containing information that is false?

The press release says this man was given specialized photographic training to assist him in his task. Is that true? This is true. Well, we are getting along. The minister says it is not true, he shook his head in a negative way, that this man tried to compromise female employees in an effort to obtain access to information. You see, the minister is very honest and straightforward about this. He says that is not a fact. What kind of reliance can you place on a press release issued by the minister of the Department of External Affairs—it would not be issued by him but by somebody there—when the Minister of Justice says it has no foundation? We are starting to get some information.

I quote again from the press release:

> The approaches made by the two members of the Soviet Embassy very shortly came to the attention of the Royal Canadian Mounted Police. As a result of this co-operation by conscientious Canadians, the police were able to establish the improper intent of the Soviet approaches and to put an end to them before any damage was done to Canadian interests.

I ask, when was this? When did these things happen? I am amazed to have an admission from the Minister of Justice that the cornerstone upon which the government has founded this press release by the Department of External Affairs has cracks in it; parts of it are not true. This is a very serious matter. I know the minister will want to clear this matter up beyond peradventure. It is in that spirit that I appeal to him once more that action be taken in the interests of justice. The very fact he now admits part of the press release was without foundation indicates the need for a royal commission to go into this matter.

Let me go on from there. One man gets thousands of dollars. He obtained the money to begin with because they had to trust him first and then later, because of conscience, fear or whatever the reason, a change was brought about in his thinking. Do you not think a commission should have an opportunity of looking into this situation, because thousands of dollars are not paid by the Soviets just for the amusement of making payments? I have just been reading the papers of the Russian spy—his name has gone out of my mind for the moment but he was the Russian colonel who was executed—and they indicate that the results are not insignificant.

• (4:20 p.m.)

Surely, Mr. Chairman, in view of that admission by the Minister of Justice, which I am sure came as a surprise to the Prime Minister and the other ministers, there is no difficulty now in making a case for a commission. I do not in any way wish to see our security techniques revealed. On the other hand, the present state of indefiniteness, uncertainty and evasion in this matter, the foundation story now ceasing to exist with the admission by the minister that one portion of this press release is not factual, point to the need for action to be taken.

I am not going to press this case further at this time. However, the Minister of Justice mentioned a moment ago that one statement I had made was not quite correct. I have before me the file. So far as the R.C.M.P. is concerned, the commissioner received severe criticism in the Dorion report. The attitude taken toward two of the high officials of the R.C.M.P. by the judge before he published his report indicated that there would be criticism. When the Spencer case was first revealed the Dorion report was being written.

The minister indicated a moment ago—I want to be entirely fair about this report—that he went right after this as soon as he became Minister of Justice. I think fairness demands that I admit that. I admit—

Mr. Cardin: Would the right hon. gentleman explain what he means when he says that I went right after this? Right after what?

Mr. Diefenbaker: Mr. Chairman, I would think that with that assiduity and energy that the hon. gentleman possesses in such abundant measure, as soon as the matter came into his hands—

[Mr. Diefenbaker.]

Mr. Cardin: What matter?

Mr. Diefenbaker: —he would have acted. And he did act. I was just going to pay a tribute to him for his action but I do not want to spoil the record. I have before me an article which appeared in the *Globe and Mail* of July 8 written by Mr. Geoffrey Stevens in which the following appears:

> The short, easy-going lawyer from Sorel, Que., moved smoothly and swiftly yesterday into the political hot-seat . . . Without waiting for the official swearing-in ceremony, he set up a meeting—

Then the article goes on to say this, and it is a very striking statement for a minister who is just assuming the heavy responsibilities of Minister of Justice:

> —although he could not sympathize with the violent attacks made on the R.C.M.P. last week by the French-speaking members of the Social Credit Party and the Social Credit Rally, he felt there must be some basis for the M.P.'s complaints. "I feel there is nothing fundamentally wrong (with the R.C.M.P.) but I hope to get at the reason very quickly"—

That is why I mentioned, Mr. Chairman, he had moved forward with acceleration and dispatch. Then the article went on to say that the minister also had other hot potatoes to dispose of such as Adrien Meunier, Leo Landreville and so on. The hon. member for Hochelega also became involved in this and wrote an article in the Toronto *Telegram* dated August 24 in which he covered a lot of things. In his article he said:

> In his report published at the beginning of July, he criticized our federal police corps—

He is referring to Chief Justice Dorion.

> —so severely that many Canadians, including this columnist, are still wondering why nothing happened to Commissioner McLellan as a consequence of such a dressing down.

I did not hold that view, but this article was written by a very eminent publicist. However, he gets to the bottom of things because he went on to say:

> Not only did Chief Justice Dorion condemn the R.C.M.P. for its appalling lack of bilingualism, an aspect of the problem that could be deemed by many as not directly relevant to the case, but he also described the handling of the Rivard affair as a very poor performance by the force.
>
> It is now official, thanks to the report, that the R.C.M.P. went to work after a long delay that it could not explain; that the methods displayed by its men were unworthy of a responsible institution.

Then he goes on to say:

> The press was unanimous in demanding that Guy Favreau resign but to my knowledge, only one newspaper suggested that Commissioner McLellan was in the same situation.

That article indicates the opinion of a most outstanding publicist, now one of those who, having seen the light of day, sits on the thrones of the powerful.

Then we go on to follow the course through. I say advisedly that I am concerned about the Royal Canadian Mounted Police being placed in any invidious position which would result in the loss to any degree of the kind of prestige they have built up. I speak as one who, before I became a member of parliament, was in the courts and I met with them week after week in literally hundreds of cases. I relied upon them, and in all the times I appeared before the courts there were only two cases in which there was ever any evidence given by a mounted policeman which I had any reason to believe was not the truth and the whole truth.

However, in this case, strangely enough, they do have to start to produce an answer, which is a serious situation. That is why on Friday I mentioned the fact that the commissioner of the mounted police must keep out of participating in any way in the defence of his force, however strongly he may feel about the matter. That is a question for the minister. As soon as a person occupying the position of commissioner starts getting into that field, controversy takes place. Not everybody will accept the views expressed by him and the result is one not beneficial to the maintenance of that high degree of regard which the R.C.M.P. enjoys.

I am concerned about what has happened over the last couple of years. I will say no more at this time, but I do hope that never again will the commissioner get into a field of controversy. Let him talk about the work of the mounted police, give the benefit of his ideas and experiments and so on, but he must never be in the category of a protagonist for one side or another. The history of police forces stands out as a warning that to take such a course may lead to serious consequences.

• (4:30 p.m.)

I said the minister started right in. Then I said he decided to put off consideration of the case until after the election. on November 3, according to an article by David Scott, the Minister of Justice said that when he got the chance to study the report, the report on Spencer I take it, he would decide whether there was sufficient evidence. Then somebody said to him: "What about his statement 'Heads will swim'?" To this the minister replied that the man should tell his story to the police, whatever it was. He added: "The implications in the man's statement suggest he may have a political axe to grind."

I ask this question: Did the mounted police interview Spencer as to what he meant by this outrageous threat? Then the minister said, according to this report: "I don't know what it is he has to say but whatever it is, let him go ahead and say it. I would be very interested to see it myself." This commendable interest of the minister is widely shared by those of us who want to get the facts.

Then the minister gave an interview on November 5 to the Toronto *Star* in which he said he found the whole affair "pretty strange". I think there is agreement with that. The article states:

> In a telephone interview Mr. Cardin added that he understands the man told the newspaper that if he were able to do so he "would tell everything and that heads would swim."
>
> The Minister of Justice said he will deal further with the case on his return to Ottawa after the election.

Then I demanded a probe. I wanted information. We have not been able to get that information. But we were told the reason Spencer was not being prosecuted was that he was sick. I have a quotation to this effect if it is wanted. Hon. gentlemen opposite said, "If only this man was well". I recall the old saying: "When the devil was sick, the devil a monk would be".

Now this man is well. The first excuse was: We cannot prosecute because he is under surgery. You know, the story as one unravels it makes me wonder. It is a difficult thing to follow. Finally there was the decision that in no circumstances would action be taken. I lay these quotations aside for use a little later. I simply rest my case here at this time. Try to unravel this tortuous course. There was the press statement which got headlines all over the world. Here was the R.C.M.P. finding this wrongdoer who would be undermining other countries by the setting up of espionage rings elsewhere. Out went the Russians. One of them did not have diplomatic protection but he was allowed to go home. Then the man was too sick for proceedings against him to be taken. Follow it through. I know the minister will straighten out this labyrinth when he speaks. We would be delighted to have an acceptable explanation though I doubt that his power of advocacy will be sufficient to assure this.

Sweeping everything aside, I now ask the government to have the fullest investigation. The people of Canada have the right to know

what is what. The R.C.M.P. have the right to know. This man has the right to know. If this be not so, then any time when one would remove a person against whom there was not sufficient evidence one would do it simply by stating a fact, as was stated repeatedly in this press release, and when the press release, untrue and unjustified in part as the minister admits, had served its purpose no further action would be taken. I rest.

Mr. Cashin: Would the right hon. gentleman permit a question? I believe I heard him correctly. He said that on two occasions he found that the R.C.M.P. were not up to par. I notice that speaking in the debate on October 25, 1963 on security matters he said, as found on page 4049 of *Hansard*.

> In the hundreds of cases in which I participated, only in one did I find on the part of any member of that force a departure from the elemental justice which has been characteristic of the force.

Are the right hon. gentleman's entire remarks equally inflated by 100 per cent?

Mr. Diefenbaker: The hon. gentleman would not be able to see any difference between those two statements. One dealt with one matter. The matter I had to discuss today deals entirely with credibility. When the hon. member achieves that age of responsibility which allows him to differentiate, picayune interruptions of that kind will be banished from a quite able young man.

Mr. Cardin: Mr. Chairman, members of this committee realize, I am sure, that security cases are for obvious reasons among the most difficult and delicate administrative problems of government, problems about which, unfortunately, very little can be said.

• (4:40 p.m.)

Those who have had responsibility for the administration of government or who have been in charge of the Department of Justice will perhaps feel and understand more keenly the difficulties involved in security cases. Indeed, while the Leader of the Opposition was prime minister security cases arose but questions let alone debates, about such cases were not accepted or answered on the ground that it would not be in the national interest to do so. We, then in opposition, accepted this attitude because, first, we knew and appreciated the inherent difficulties involved both nationally and internationally in dealing with security cases; second, because we realized the necessity of keeping secret the security procedures used by the police in these cases; third, because we had confidence in the competence, loyalty and integrity of the R.C.M.P. and in the effectiveness of their counter-espionage activities; fourth, because we trusted the accuracy and the wisdom of the legal officers of the Department of Justice and believed in the sense of responsibility of the government and the common sense of the minister of justice, whoever he might be.

I respectfully submit, Mr. Chairman, that without this basic confidence and trust, not only in the competence and loyalty of the civil service but also in the good faith and sense of responsibility of government and individual ministers, parliament will not and cannot work.

Some hon. Members: Hear, hear.

Mr. Cardin: In recent times it has become dangerously easy to accuse and condemn by innuendos and insinuations without being called upon to substantiate charges. It may be considered politically expedient and even smart tactics, to create doubt and confusion in the house and among the public by asking questions and seeking information and explanations about this case, which is a bona fide security case, but I submit it is demagoguery for anyone to ask these questions knowing that the answers cannot and should not be given in public.

Some hon. Members: Hear, hear.

Mr. Cardin: In the field of national security and national security cases nothing has really changed since 1963. Security problems are as complex now as they were before 1963. Secrecy for security procedures is as essential now as it was then. The law officers of the Department of Justice are as knowledgeable and conscientious as they were in 1963. The integrity and competence of the R.C.M.P. have not diminished.

Then what is it in the Spencer case that has motivated the right hon. Leader of the Opposition and other members of the committee to demand a judicial inquiry into this case and into the whole field of security procedures?

Mr. Diefenbaker: The whole action of the Minister of Justice.

Mr. Bell (Carleton): The minister's conduct.

The Deputy Chairman: Order.

Mr. Cardin: Was the right hon. gentleman not satisfied with the security procedures when he was head of the government? If not, why did he not have a royal commission

then? If he was satisfied then, why does he call for one now since the very same security procedures have been used in this case?

Is the right hon. gentleman complaining because I did not prosecute Spencer? If he is, is the right hon. gentleman saying that prosecutions were proceeded with in all security cases that came to his attention between 1957 and 1963? I am sure the right hon. gentleman is not saying that, and with reason.

Mr. Woolliams: How many were there?

Mr. Pearson: Quite a few.

Mr. Cardin: Is the right hon. gentleman questioning the validity and soundness of the recommendations of the law officers of the Crown that there was not sufficient admissible evidence to bring down a conviction against Spencer? If he is, then how can he reconcile this attitude with the severe criticism he addressed to my predecessor for not having sought the opinion of the legal officers of the Crown in the Denis case when these are the very same competent people? Is the right hon. gentleman suggesting that even though there was not a reasonable chance of bringing down a conviction I should have laid charges and prosecuted Spencer just the same and risk having disclosed the same security procedures about which his government question in the house on the grounds that it would not answer even the most benign was not in the public interest to do so?

With the experience that the right hon. gentleman has had in security matters when he was in office he must know or he can guess why prosecution did not take place in the Spencer case. If that is so, why is the right hon. gentleman acting as though he had never heard of security and intelligence procedures and why is he insinuating that the government has something to hide?

Is the right hon. gentleman condemning me because I advocated appropriate surveillance of a person who, of his own volition and without being forced to do so, admitted he was the man the R.C.M.P. were questioning in connection with espionage activities?

Mr. Diefenbaker: How could he deny it? Everybody knew it.

Mr. Cardin: Is the right hon. gentleman questioning the legality or propriety of the accepted procedure of surveillance? The right hon. gentleman has in fact severely criticized the government for not having maintained stricter surveillance over Hal Banks. Was the right hon. gentleman advocating an illegal procedure at that time?

Is the right hon. gentleman suggesting that surveillance can or should be applied only when a person has been charged or convicted? How then could the police carry out their responsibility in the field of prevention of crime?

The hon. member for Kamloops, for whom I have great esteem, is well acquainted with the difficulties involved in the handling of security cases and I am sure he will agree with me when I say that no minister of justice would have authorized a prosecution when his legal advisers had recommended that the evidence admissible in court could not and would not carry a conviction. I also feel quite sure that any minister of justice would be extremely sensitive to the possibility of divulging our counter-espionage activities.

If, Mr. Chairman, the security procedures applied by the R.C.M.P. in this case are the normal procedures always used, which have proven to be very effective in the past, if the rules and policy for the laying of charges and instituting of action are the same in this case as have been applied over the years, if surveillance by the police is a normal procedure for the prevention of crime, there can be and there is only one fact that is unprecedented in the Spencer case, something which the Leader of the Opposition and members of other political parties are scrupulously trying to ignore, forget, pass over and avoid mentioning, and that one unprecedented fact is that Spencer, not I, branded himself as a spy when he admitted he was the postal clerk involved in the espionage case.

Mr. Nielsen: You disclosed his name before the public.

Mr. Cardin: He had done that before me and, Mr. Chairman, because he did identify himself, after the government took all necessary precautions to safeguard his identity, am I being asked to prosecute him even though I know that I could not convict him and that I would risk compromising our security procedures? If Spencer had not identified himself as the man involved in espionage activity, would hon. members of the committee have insisted on a trial? No, Mr. Chairman, they would not have insisted any more in this case than they did in other security cases in the past.

Mr. Diefenbaker: What date was it that the minister revealed Spencer's name?

Mr. Cardin: We will go into that later, Mr. Chairman. I did not interrupt the right hon. gentleman and if he will allow me to finish my speech, I will deal with his question afterwards.

What is the difference between this security case and other cases if it is not the unprecedented fact that the person involved in this case actually identified himself and branded himself as a spy of his own free will? And because Spencer decided to identify himself, should I be asked to ignore the well established policy in prosecutions and prosecute him anyway?

Some hon. Members: Oh, oh.

• (4:50 p.m.)

Mr. Pearson: Big joke.

Mr. Diefenbaker: There were quite a number prosecuted in 1945-46.

Mr. Cardin: Are you saying that you prosecuted all the security cases which came before you when you were in office?

Mr. Nielsen: They were never identified by a Minister of Justice.

Mr. Pearson: They were not identified.

The Deputy Chairman: Order, please. May we let the Minister of Justice continue without interruption?

Mr. Cardin: Mr. Chairman, the government is being asked to have a judicial inquiry into the Spencer case. I can assure the members of the committee that I believe in the principle behind the setting up of royal commissions of inquiry of any kind when they are warranted, but I do not believe royal commissions and judicial inquiries should replace the basic trust and confidence which are essential in any form of responsible government. Nor, Mr. Chairman, do I believe that royal commissions should be substituted for the normal administration of government and for the due processes of law.

Mr. Diefenbaker: There is no due process here.

Mr. Cardin: I do not believe either that a royal commission or inquiry should be set up every time the opposition asks for one in order to prove that the government did the right thing.

Mr. Diefenbaker: What about the press of Canada?

[Mr. Diefenbaker.]

Mr. Cardin: Mr. Chairman, this is exactly what we would be doing in this case.

Mr. Orlikow: Mr. Chairman, would the minister allow a question?

Mr. Cardin: I would be delighted to answer the question after I finish my speech.

Mr. Nielsen: After you finish reading it.

Mr. Cardin: I believe it would do a lot of good if the hon. member would write his own speeches. There would be a lot more logic in them than there is in the ones he has made here.

Mr. Starr: You are reading Favreau's writing.

Mr. Cardin: The question I should like to ask hon. members is, what exactly would the commission inquire into? Into the security procedures of the Royal Canadian Mounted Police? Why? The Royal Mounted Police actually were successful in detecting this security case among others and did eliminate any potential danger to the security of Canada and, even though it may not be generally known in Canada, the Royal Canadian Mounted Police's record in the field of counter-espionage is second to that in no other country in the world and their procedure and discipline in security matters is recognized internationally as one of the best in the world. Is there justification here for a royal commission into the security procedures of the Royal Canadian Mounted Police?

Mr. Lewis: No one suggested that.

Mr. Cardin: Would the royal commission inquire into my decision not to prosecute Spencer? The basis of my decision is a long and well established practice applied by successive ministers of justice and, indeed, no other logical criteria could in fact be applied. Would this mean that a royal commission would be warranted to look into all future cases where prosecutions did not follow the investigation of security cases? Would the royal commission look into past cases under this or the previous government where prosecutions did not follow in similar investigations. If not, then why not? What difference is there? Where do you draw the line?

I might also ask whether we need a royal commission to tell us that surveillance is a normal and necessary procedure employed by police forces all over the world in carrying out their responsibility of maintaining order and preventing crime?

Mr. Diefenbaker: Protecting a man from danger.

Mr. Cardin: We will go into that, if you give me time. Do we need to have a royal commission to confirm that Spencer identified himself and branded himself as the spy that the Royal Canadian Mounted Police were questioning when all the newspapers in Canada carried the story of Spencer's self-identification more than three weeks before I mentioned him on a television program?

Mr. Diefenbaker: No, no. What is the date? That is what I asked a while ago.

Mr. Cardin: You will get the dates. Ask the hon. member for Bow River. He made my case the other day when he spoke.

Mr. Diefenbaker: You are not making it, so you need help.

Mr. Cardin: Mr. Chairman, the hon. member for Burnaby-Coquitlam and the hon. member for York South charge that Spencer is being discriminated against and unjustly treated because he was dismissed without pension and without appeal. Surely hon. members know that employment in the public service is during pleasure. This principle is applicable to all employees of the civil service including Spencer.

An hon. Member: What happened to the collective bargaining rights?

Mr. Lewis: You cannot fire anyone any time for any reason.

Mr. Cardin: For reason and for cause.

The Deputy Chairman: Order, order. May I ask hon. members to permit the Minister of Justice to make his speech? If some hon. members wish to interject certain opinions they certainly will have an opportunity to do so when their turn comes.

Mr. Cardin: Under the Public Service Superannuation Act pensions are paid to employees of the civil service as a right but under certain conditions. According to the Act an employee will be deprived of his pension if he is dismissed because of misconduct. This is applicable to all employees of the civil service and has been applied to other Canadian citizens in the public service. Why should it not apply to Spencer? Section 50 of the Civil Service Act, which was enacted in 1961 when the previous government was in office and after the Bill of Rights came into effect, does not provide for an appeal of the dismissal of an employee in certain cases. This law passed by the house was applied in the Spencer case.

I feel, Mr. Chairman, sure that hon. members will appreciate that in certain justified circumstances the government as an employer must take the hard decision to proceed under section 50 of the Civil Service Act and must take the responsibility for that decision. After a very painstaking examination of the whole situation, the government is satisfied as an employer that no injustice has been done and, Mr. Chairman, in clear conscience the government can assert that position.

• (5:00 p.m.)

No one member or group of members in this house has a monopoly on genuine concern for the civil rights and liberties of individuals. We are all dedicated to and have all sworn to defend and protect these rights.

Some hon. Members: Hear, hear.

Mr. Cardin: We are also all dedicated to and have all sworn to safeguard our national security. The undeniable responsibility of the opposition to criticize constructively does not and cannot for obvious reasons always reflect the irreconcilable conflict which arises at times between these two fundamental principles to which we are all dedicated.

On the other hand, Mr. Chairman, the government in its undeniable responsibility to administer the country must take a decision, no matter how difficult that decision is or may be. As I have said, the government has done this and I am convinced that the decisions taken in this case were not only the right ones but the only ones that could responsibly be taken in the circumstances. Having regard to all the circumstances of the case, I do not believe that an inquiry into this matter is justified or warranted.

Some hon. Members: Hear, hear.

Mr. Cardin: Mr. Chairman, I should now like to answer some of the questions raised by the right hon. Leader of the Opposition. That right hon. gentleman spoke first of surveillance and the fact that we were maintaining surveillance of a man who had not been brought before the courts. He suggested that this was an injustice. Of course, there is some truth and some basis for an argument of that kind. However, I wonder what the hon. gentleman would have said had I not maintained surveillance of Mr. Spencer, knowing that he in fact had acted in a way which was not in the interests of our national security? I can imagine the type of speech the right hon. gentleman would have made under these circumstances.

I am sure the right hon. gentleman could, having a legal background in criminal law—he knows more about this than I do—in his mind conceive of surveillance which could at the same time protect an individual and prevent him from committing a crime. I am an amateur in law but there is no way in the world that I know of how the R.C.M.P. could at one time prevent a man who has been engaged in espionage activities from engaging further in them and at the same time protect him. As hon. members of the committee are aware, a statement was made by Mr. Spencer to the effect that he and the reporter could in fact be killed for what they were discussing.

Mr. Diefenbaker: When did he say that?

Mr. Cardin: This is the information in a report and I will be glad to inform the right hon. gentleman.

Mr. Diefenbaker: Let us get the facts rather than generalities.

Mr. Cardin: Some time ago—

Mr. Diefenbaker: This is just a sober second thought.

Mr. Pearson: You used the expression yourself.

Mr. Cardin: I think the right hon. gentleman could use some sober second thoughts.

Some hon. Members: Hear, hear.

Mr. Cardin: The right hon. gentleman also referred to an article written by Mr. Peter Newman. I hope I am not being unfair to Mr. Newman but if I understood the right hon. gentleman correctly—

Mr. Diefenbaker: I never referred to him.

An hon. Member: It was Trueman.

Mr. Cardin: I am sorry; it was an article by Mr. Trueman to the effect that Mr. Spencer had said that heads would roll in Ottawa and in high places. The right hon. gentleman then asked whether or not we had initiated an investigation by the R.C.M.P. into this situation. We did so and the outcome of that investigation was that Mr. Spencer stated: "Those newspapermen again".

Mr. Diefenbaker: What date was that?

Mr. Cardin: I am sure the hon. member could not give any credence to this type of story. Certainly he was not being misquoted in the newspapers.

Mr. Nielsen: You certainly were not misquoted on television.

Mr. Diefenbaker: The minister was not misquoted when he used Spencer's name on television.

Mr. Cardin: I used Spencer's name on television after he had identified himself. The right hon. gentleman asked several other questions. I have been considering whether or not I should answer him. He wanted to know something about the amounts of money that were involved. It is unusual to reveal this type of information but in order to prove to the right hon. gentleman that we are not trying to hide anything I intend to go perhaps farther in giving this information than anyone has gone before with the hope that the members of this committee will realize that we are not hiding anything. The amounts of money involved ranged between $3,000 and $4,000. It is difficult to find out the exact amounts because they were paid in the form of travelling and other expenses. As far as we were able to determine, those were the amounts involved in this case.

The right hon. gentleman also asked for the dates on which these alleged offences were supposed to have occurred and he suggested to the committee that by divulging this information we would not be doing any harm to our security.

Mr. Diefenbaker: Just give us the months. That will be sufficient.

Mr. Cardin: I think the years also have some bearing.

Mr. Diefenbaker: That is fine.

Mr. Cardin: The alleged offences started to occur well before 1960. The more serious offences are alleged to have been committed in 1961 and 1962. There were no contacts made between 1963 and the time he was apprehended. As the right hon. gentleman knows, having experience in matters of this kind, the purpose of security and intelligence procedures is not necessarily to establish a charge or to prosecute one but rather to find out as much as possible from the individual in question. That was exactly the situation in this case.

Mr. Diefenbaker: Were the two Russians in question in Canada in 1960?

Mr. Pearson: Yes, or their predecessors.

Mr. Cardin: Do not look so shocked. Do not put on an act. You are not impressing anybody.

Mr. Diefenbaker: They were not here.

Mr. Starr: You have been caught putting on an act.

Mr. Diefenbaker: Your second act was interesting.

Some hon. Members: Oh, oh.

• (5:10 p.m.)

Mr. Cardin: Then the right hon. gentleman made reference to a press release that was issued in May and stated that I had denied that something in the statement was correct. The right hon. gentleman knows that there were two people involved and one of them had co-operated with the police. He was referring, I think, to the activities of female employees in the civil service. I said no at the time for the simple reason that this had nothing at all to do with Spencer. I wonder whether the right hon. gentleman understood this. Anyway, I gave him the explanation. He asked for it and that is that. The other question—

The Deputy Chairman: Order, please. I regret to interrupt the Minister of Justice but the time alloted for his speech has elapsed.

Some hon. Members: Carry on.

Mr. Starr: We want to hear his alibis.

The Deputy Chairman: Order, please. Is it agreed that the Minister of Justice may proceed with his speech?

Some hon. Members: Agreed.

Mr. Cardin: Mr. Chairman, there is only one other question that I should like to try to clarify if I may. That is the question, which has been repeated on many occasions, that the Prime Minister or somebody stated that we were not prosecuting Spencer because he was ill. It is true that Spencer was ill in May; he was very seriously ill at that time. The statement—any hon. member can look at the record of the statement that was made—was that he was ill and we were looking into whether there were reasons for prosecution. Someone might have interpreted that as meaning that we were not prosecuting Spencer because he was ill but that was never said, nor was it the intention.

The other matter that arises in this connection is the fact that it was very difficult indeed, when the man was actually very ill and in hospital, for the Royal Canadian Mounted Police to carry on the inquiries and investigations that were needed at that time. I have given answers to the questions of the right hon. gentleman as best I can and I can assure him and the members of the committee that we have nothing to hide.

Some hon. Members: Hear, hear.

Mr. Grégoire: Could I ask just one question of the minister, Mr. Chairman I should like an answer to a question asked by the minister of the Leader of the Official Opposition during the minister's speech. Did the former government prosecute all security risk cases during their term of office between 1957 and 1963? Could the minister answer that question which he asked the Leader of the Opposition? Did the former government proceed to prosecute in all security risk cases during their term of office?

Mr. Cardin: Perhaps the hon. gentleman might direct that question to the right hon. gentleman, Mr. Chairman.

Mr. Grégoire: Can the Minister of Justice give us the answer? The Leader of the Opposition does not want to give us the answer. Could we have the answer to this question from the minister?

Mr. Cardin: I do not think it would be in the public interest to do so, Mr. Chairman.

Mr. Grégoire: Do we assume that they did not ?

Mr. Orlikow: Mr. Chairman, when the history of the 60's is written the Spencer case, which will probably only appear as a footnote on one page, will not be a reference with regard to which historians of the future will give much credit to this government. We heard a great deal from the Minister of Justice today and the Prime Minister the other day about how for some peculiar reason it is only members of the opposition who are finding fault or asking questions about the Spencer case and the way in which the government has handled it.

I have not had an opportunity to see all the newspapers but I have had an opportunity to see some of the newspaper editorials written since the Prime Minister made his statement last week. I want to put on the record, because the Minister of Justice has perhaps been too busy preparing his case for the reason that it is a weak case, what these newspapers are saying. I shall quote only from Liberal newspapers to show the minister and the Prime Minister that the members of the opposition in this house are not alone in their questions and doubts about this case. Here is the Winnipeg *Free Press* of Friday, February 25:

> The Prime Minister's statement of Wednesday on the Spencer case, although an improvement on its predecessors, does not meet the central criticisms which have been levelled in parliament and in the newspapers against the government's handling of this serious matter—

There is no escaping the conclusion that the government, probably with the best of intentions, has acted as a court in the present case.

The Toronto *Star* of February 25 said:

In his statement in the House of Commons this week on the now notorious Spencer case, Prime Minister Lester Pearson declared: "I do not believe (Mr. Spencer's) rights as a person or as a citizen have been violated. On the contrary, I believe he has been treated with scrupulous fairness."

Few Canadians who have followed this case will agree with the Prime Minister—

The cabinet should do one of two things. Either it should lay charges against Victor Spencer (if necessary the case could be tried in camera to prevent disclosure of state secrets) or it should restore him his job and his pensions rights and take the Mounties off his doorstep.

The Montreal *Star* said on February 25:

So far as Mr. Pearson is concerned the Spencer case is closed. The Prime Minister may be happy about it all, quite convinced that the interests of national security are not jeapardized, and that no injustice has been worked. No one else is so easily convinced and the suspicion will not down that in this, as in perhaps other cases, the government has something to hide.

The minister today made a great deal of the fact that Mr. Spencer himself disclosed that he was involved. I want to tell the minister that Mr. Spencer did not have to identify himself. The press release issued by the Department of External Affairs was so specific that the postal workers in Vancouver knew that Mr. Spencer must be the person concerned. The press release mentioned that the person involved was sick and in hospital and these workers knew that Mr. Spencer was the person.

Apparently the government is satisfied with its handling of this case. The Prime Minister, of course, is very easily satisfied. It is a characteristic of the Prime Minister that he is easily satisfied. I should like to quote from the Prime Minister's speech of February 23:

—I believe Mr. Spencer's dismissal and his loss of pension rights under the law was lawful and just. I do not believe his rights as a person or as a citizen have been violated. On the contrary, I believe he has been treated with scrupulous fairness.

How was Mr. Spencer treated? In what way was Mr. Spencer heard? I quote again from the speech the Prime Minister made on February 23:

—he was given a hearing by a senior official of the Civil Service Commission, at which he had every opportunity to state his case. Neither at this hearing with a member of the Civil Service Commission present—and the Civil Service Commission has an interest in the protection of the rights of civil servants;—

Etc., etc.

—did Mr. Spencer make any complaint over his dismissal or prospective dismissal, or any complaint about the treatment he had received.

• (5:20 p.m.)

This is the report which the Prime Minister received from one person in the Civil Service Commission. In outlining procedures for the investigation of government employees accused of having violated security in 1963, the Prime Minister assured the house that procedures would be adopted whereby these employees would be permitted to have a hearing before an independent commission composed of people outside the government service. Mr. Spencer did not have this opportunity. Mr. Spencer had a hearing, if it could be called a hearing, by one member of the Civil Service Commission or one member of its staff.

Is that sufficient for a decision affecting the future life of a government employee? Does not the Minister of Justice, does not the Prime Minister—I see the Postmaster General is in his seat and it is a good thing he is. I should like to remind the Postmaster General—

Mr. Côté (Longueuil): I am always here.

Mr. Orlikow: —of a case where an employee of the Post Office Department was dismissed. He exercised his right of appeal, an appeal board was set up and the appeal board rendered a unanimous decision that the employee involved should not be dismissed. However, the Civil Service Commission exercised its judgment and decided that the person should be dismissed. He was dismissed. In that case, Mr. Chairman, it did not suit the government to take the advice of the appeal board. Its advice was ignored. In that case the Civil Service Commission gave the government the kind of advice it wanted so the government followed that advice.

I express no opinion about the guilt of Mr. Spencer. I do not have the evidence. It may be that Mr. Spencer is guilty, although I must express some doubt about the value of secret information which a postal employee could secure and whether or not it would be of real danger to the welfare of the people of Canada.

But I suggest, Mr. Chairman, regardless of what he did, there could be no reason for denying the suggestions which have come from members in every party, including the other side of the house, that a judicial inquiry be held in camera. I cannot believe for a moment, whatever Mr. Spencer is guilty of, that he was able to collect information of

greater danger to the people of Canada than did the spies involved in the case which arose out of the disclosures by Igor Gouzenko. In that case the government convened a private judicial hearing. Witnesses were questioned before two judges who were aided by counsel acting for the commission. The judges made a report on the basis of which certain people were prosecuted. In that case information of tremendous importance was transmitted to countries outside of Canada. The government did not hesitate, even under those difficult circumstances, to have a judicial inquiry. There can be no reason, for now saying that we cannot have a hearing before a judge or several judges in camera. These judges may prosecute but certainly there would be no doubt about the guilt or otherwise of Mr. Spencer.

It is not my intention today to say anything further about how Mr. Spencer's rights as an individual were violated. I see the Parliamentary Secretary to the Prime Minister is in his seat. In the years before he came to this house, when he was the publisher of a magazine called "*Cité Libre*", he had the courage to fight the repressive policies of the former premier of Quebec. I wonder what the Parliamentary Secretary, the hon. member for Mount Royal, would have said about this case if he were not here and were not sitting on the government benches? There is no question about how he handled things before he came here, how he felt about civil liberties.

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

Mr. Orlikow: Yes.

Mr. Trudeau: I am still concerned about this problem and I should like the hon. member to help me clarify that concern. I understand Mr. Spencer has not complained. He is a free man. He is at liberty and he probably has some right of civil action if he has been unjustly placed under surveillance. Why is the opposition complaining and not bringing forth any facts which might lead us to believe he has been unjustly treated? Mr. Spencer himself is not complaining.

Mr. Orlikow: I do not intend to do the kind of thing which has been done by the Prime Minister, the Minister of Justice and others, that is, to say things about Mr. Spencer which I have heard about his health, both physical and mental, but the sources of which I cannot give. I think it is the responsibility of the government to make these inquiries. If I thought the Minister of Justice was really interested in getting the facts I would be more than happy—

An hon. Member: He is.

Mr. Orlikow: He and his department have acted as judge, prosecutor, jury and everything else. However, I would be very happy to tell the Minister of Justice a few things I have heard about this case which might create a good deal of doubt about it. I could tell them to the Parliamentary Secretary too in the hope he might act as he used to act.

Mr. Trudeau: If they appeal to my conscience, but I should like to know what Mr. Spencer is complaining about.

• (5:30 p.m.)

Mr. Orlikow: It is not a question of what Mr. Spencer is complaining about. Does an individual in this country have a right to a hearing? Does he have a right to be faced with the evidence against him and to make a defence if there is one? I submit this is something Mr. Spencer has never had.

It was not my intention to spend much time on this aspect of the matter because the hon. member for York South, the Leader of the New Democratic Party, the Leader of the Official Opposition and the hon. member for York-Humber, with whom I seldom agree, have all enunciated these principles about the rights of an individual well enough that they have convinced me and I suggest they would have convinced the hon. member for Mount Royal before he became Parliamentary Secretary. I want to deal with another matter about which the hon. member for Mount Royal has some knowledge. I am glad the Minister of Citizenship and Immigration is here. We have heard a great deal from the other Parliamentary Secretary to the Prime Minister about the virtues of Section 50 of the Civil Service Act. The Minister of Justice, who I am sure is no expert on trade unionists and their rights, also talked about section 50.

Section 50 of the Civil Service Act reads as follows:

(1) The tenure of office of an employee is during the pleasure of Her Majesty, subject to the provisions of this and any other Act and the regulations thereunder, and, unless some other period of employment is specified, for an indeterminate period.

(2) Nothing in this Act shall be construed to limit or affect the right or power of the Governor in Council to remove or dismiss any employee.

It was under this section and the sections of the Public Service Superannuation Act that Mr. Spencer was dismissed and his right to a pension taken away. We are now into

1966 and for more than two years the government has been promising to bring in legislation to guarantee to employees of the government the same right to belong to a union and to bargain collectively as now enjoyed by employees working for private industry.

I would ask the Minister of Citizenship and Immigration, who before he came to the house was a militant, aggressive trade union leader, to comment on what in these circumstances is left of collective bargaining rights. What is left of the right of employees to belong to a union if the government or any other employer has the right under a section in an act to dismiss an employee without cause or reason, with justification only to itself? I suggest this is completely contrary to the basic right of Canadian workers to belong to a trade union.

This is the government that has promised civil servants collective bargaining rights. I suggest that the pension rights of an employee are in effect a deferred wage payment. No government, private employer or anybody else has the moral right, even though there is such a right under legislation, to take away from an employee pension rights which he has built up over many years. I should like to hear from the Parliamentary Secretary, who I know has acted in negotiations for many trade unions, what he thinks about this position taken by the government. I should also like to hear from the Minister of Citizenship and Immigration.

Three officers of the Postal Workers Union today addressed a letter to the Prime Minister, copies of which went to the leaders of the other parties. I should like to place on record what they said. The sent me a copy because they know of my interest in this matter.

Mr. Matheson: What is the date of the letter?

Mr. Orlikow: It is dated today and is addressed to the Prime Minister. It reads as follows:

Dear Sir:

The National Executive Committee of the Canadian Union of Postal Workers, at a meeting on January 28th, 1966, endorsed the following resolution:

"BE IT RESOLVED that this National Executive of the Canadian Union of Postal Workers goes on record as demanding the removal of Section 50 of the Civil Service Act on the grounds that it is totalitarian in concept."

The Parliamentary Secretary to the Prime Minister said on Friday that he thought this was a pretty good Act. This is what the union concerned in this matter thinks of it.

Mr. Trudeau: Did you vote against it?

Mr. Orlikow: I was not here at the time and I would not have voted for it; nor would the hon. member before he tasted the fleshpots of victory. The letter continues:

The event prompting the adoption of the above resolution was the summary dismissal from the service of Mr. G. Victor Spencer for alleged spying activities. Invoking Section 50 of the Civil Service Act denied Mr. Spencer the right of appeal. It is our conviction that a breach of civil liberties was committed by denying an employee the right of an appeal.

The Canadian Union of Postal Workers is convinced that a second breach of rights occurred when Mr. Spencer was denied pension rights under the Public Service Superannuation Act. In the absence of proof of misconduct, an employee must have full rights to benefits of the Act.

We therefore request that you implement a judicial inquiry to either prove innocence or guilt of Mr. Spencer so that all federal civil servants can be confident that their civil liberties and rights under the Civil Service Act and Public Service Superannuation Act cannot be arbitrarily denied without appeal. We therefore request that your office take immediate steps to remove Section 50 from the Civil Service Act and allay the fears of our members.

That is signed by W. Kay, national president, R. Otto, executive vice president and J. E. J. G. Simard, general secretary treasurer.

Mr. Trudeau: Hear, hear.

Mr. Orlikow: It is nice to hear the Parliamentary Secretary to the Prime Minister applauding, but he is trying to sit on both sides of the fence. He should not be applauding but doing something practical about this matter. He should take the question up with his leader, the Prime Minister. This issue cannot be—

Mr. Côté (Longueuil): Would the hon. gentleman permit a question?

Mr. Orlikow: Certainly.

Mr. Côté (Longueuil): I should like to ask the hon. member whether this is a letter which was sent by Mr. Kay himself or was it sent with the consent of his executive committee?

Mr. Lewis: It was a resolution which was passed.

Mr. Côté (Longueuil): Yes, there was a resolution passed but I have here a press release which appeared in the Ottawa *Journal* stating that the union president, William Kay, said that "Spencer's firing was discussed at a union executive meeting this

week and no executive action was recommended". That report was dated February 11, 1966.

Mr. Orlikow: The resolution was passed at a meeting on January 28, 1966.

Mr. Lessard: What hour?

Mr. Orlikow: Mr. Chairman, from the trained seals on the other side we get the kind of stupid remark which we have just heard from my hon. friend, who asked "what hour?". That is how seriously he takes this question. I suggest to members on the government side of the house that if they enter into collective bargaining with the degree of seriousness they have indicated in the Spencer case, with a lack of interest in the rights of employees to express opinions, to have their say and to make their defence whenever they think they have the right to do so, then the postal strike which we saw some months ago will look like a pink tea party before we have gone very far. I say this because you cannot grant collective bargaining with one hand and then take it away with the other hand as the government has done in this case.

I will be very happy to sit down, Mr. Chairman, if the Parliamentary Secretary and the Minister of Citizenship and Immigration will tell the committee what they feel about what I and the postal workers consider to be very serious violations of the normal procedures followed between any employer and his employees when there is good faith present. Of course, I have not had the opportunity, and probably never will, to be appointed to the Privy Council so I do not have that club spirit which the Minister of Justice tried to create between himself and the Leader of the Official Opposition.

I am not trying to run down the R.C.M.P. and it is not my intention to debate how effective the R.C.M.P. has been. The force is made up of human beings and they have made mistakes.

• (5:40 p.m.)

I should like to remind the house of the case of one Mr. Petersen who, I presume on the basis of reports made by the R.C.M.P., was refused re-enlistment in the navy. Why? Because his uncle was supposed to be a member of the Communist party. Yet it was found out later that the person who was a member of the Communist party was not related to the man who was drummed out of the navy. The R.C.M.P. can make mistakes. The Civil Service Commission can make mistakes. The Prime Minister can make mistakes, except in the eyes of members on the other side of the house.

What is required is that the public should feel that the rights of every citizen will be protected. This has not been done in the case we are considering. I came to this parliament in 1962 with an image of the Prime Minister as one who was an intellectual, a liberal with a small "l", a decent person who would try to do the right thing.

An hon. Member: He still is.

Mr. Orlikow: An hon. member over there says "He still is". That is his opinion. In my opinion the Prime Minister has become the spokesman for the establishment, that little group of ministers and others of whom the Minister of Transport is such a good example, that group of senior civil servants, including probably the commissioner and the assistant commissioner of the R.C.M.P., who think they know everything and have the right to decide everything.

Like Moses when he brought down the ten commandments from on high, they thing no one has the right to question them and that the rest of the people of Canada, the peasants, should keep quiet and accept without question what is decided. I have said enough to indicate that the public are not satisfied. The Liberal newspapers are not satisfied. The trade unions are not satisfied.

Mr. Trudeau: But Mr. Spencer is satisfied.

Mr. Orlikow: The Parliamentary Secretary came to this house because he wanted to explain the legitimate aspirations of Quebec to the rest of Canada and the legitimate aspirations of English Canada to Quebec. If there is one thing which has been noticeable since he came here it is the fact that he has been silent. He has yet to my knowledge to say a single word in this house.

An hon. Member: He is wise.

Mr. Orlikow: I hope I have said enough to bring him to his feet. I should like to see him defend the government on the Spencer case. I should like to see him associate himself with the Prime Minister and the government in this matter because the day he does he will demonstrate conclusively and publicly to the many friends he had in all parties that the principles for which he spoke and wrote so eloquently for so many years have gone down the drain, that he is just another Liberal politician who will do or say nothing which

might hinder his rise or his appointment to the cabinet.

Mr. Matheson: May I direct a question to the hon. member—

The Deputy Chairman: Order. I recognize the Minister of Citizenship and Immigration.

[*Translation*]

Does the minister want to ask a question?

Mr. Marchand: Mr. Chairman, since the hon. member put several questions to me in the course of his remarks, I should like to have the opportunity to answer him. This is simply an intervention because several questions have been put to me.

In the course of his remarks, the hon. member for Winnipeg North (Mr. Orlikow) attempted to bring out inconsistencies with our past. I simply want to try and give an explanation. The hon. member surely referred to a real problem when he mentioned the conciliation of a collective labour agreement with section 50 of the Civil Service Act.

This raises a fundamental problem and I think hon. members will have the opportunity to discuss it when the legislation is brought before the house. At that time, I think we shall be able to discuss the matter irrespective of the Spencer case.

There is no doubt that section 50 may, in certain circumstances, deprive civil servants of rights normally theirs under a collective labour agreement.

Another angle will require consideration. It is the procedure followed by the R.C.M.P. In such cases, it is hardly different from the procedure of the Intelligence Service in England, under a labour government, of the F.B.I. in the United States, under a democratic government. That is police procedure and it is not and cannot be democratic from the start. All this has to be conciliated and I think it is a problem. If the problem is raised—and I can state that we are just as aware of it as all hon. members opposite—we shall see how it can be solved.

As for the Spencer case, and this holds true within labour unions as it is here—I think it all comes back to the comments made by the hon. member for Mount Royal (Mr. Trudeau)—there is one basic thing in the labour field: he who has a grievance must state it and he who has a claim must seek the right to have his claim heard, which is not the case for Mr. Spencer.

[Mr. Orlikow.]

[*English*]

Mr. Orlikow: I have a question for the minister: the minister says that he who has a grievance must express it. How could Mr. Spencer express a grievance after he had been dismissed under a section of the act which does not permit of any discussion? He was dismissed and his pension rights were taken away. How could he ask his union to act for him even if he wanted to? I do not know whether or not he wanted to. But how could he make an application under a section which does not permit him the right of appeal?

Mr. Lewis: Perhaps I might be allowed to ask the minister a similar question though I may phrase it somewhat differently. Is the minister suggesting, first, that an employee must present a grievance even if there is no grievance procedure provided for him to follow? This is the case here, because Spencer had no right of appeal and he therefore had no grievance appeal procedure. Or is he suggesting that if there is a breach of a collective agreement and the employee concerned does not pursue it the matter should be ignored by the union as well despite the fact that the breach is of importance to all others who are subject to the agreement?

[*Translation*]

Mr. Marchand: Mr. Chairman, when one wants to discuss a case in theory, when one knows that there is no collective agreement at this time between civil servants and the government, I suggest that one must not reason as if there were a collective agreement. There is none.

Mr. Lewis: There is only section 50.

Mr. Marchand: I repeat, there is no collective agreement; therefore, there is no grievance procedure.

I simply say that he did not present his request as he should; there is no question of a collective agreement, for this does not exist. When there is one—and perhaps it is neither for the hon. members of the opposition nor for those on the government side to decide whether the civil servants want a collective agreement—I think civil servants will handle that matter and it is up to them to settle this problem.

If you insist upon a collective agreement, I should think that we would agree to give it to them. But until they get such an agreement, you cannot berate us for the fact that there is no grievance procedure.

[*English*]

Mr. Lewis: Then why did the minister refer to amendments? May I ask the minister another question?

The Deputy Chairman: There have been certain exchanges of opinion about this matter. If the hon. member wishes to contribute further to the debate he will have an opportunity to do so later.

• (5:50 p.m.)

Mr. Allard: Mr. Chairman, the estimates of the Department of Justice have been before the house for the past few days now and I should like to take this opportunity to make a few observations to the Minister of Justice (Mr. Cardin). I shall only deal briefly with the Spencer case.

I submit that the house wasted a lot of time—I see that the hon. member for Winnipeg North (Mr. Orlikow) who spoke a minute ago is not in his seat—concerning an oppressed individual who did not personally complain about anything. This is the fantastic part of it, which struck the imagination of the public.

I was in the marvellous Sherbrooke riding over the week-end and I talked about this to various people I met. No matter how some hon. members may try to twist the matter around, the plain folk cannot get over the fact that the Canadian involved has not himself voiced any complaint.

Are they not trying to indulge in partisanship or petty politics over the rights of an individual?

An hon. Member: That's right.

Mr. Allard: Well, Mr. Chairman, since the 23rd of last February, until now, I have carefully followed the discussions on the estimates of the Justice Department and I have tried to discover the complaints of this Canadian in all the interventions of the hon. members. Not one gave complaints coming directly from this individual.

As the Minister of Citizenship and Immigration (Mr. Marchand) said earlier, certain federal laws should be amended in order to establish the machinery of collective agreements; I believe all members agree.

However, that is not the problem. The fact is that we have wasted many hours on the estimates of a very important department.

In his opening speech, the minister listed the various matters which come under his department. In any case, on page 182 of the blue book now before us, the two main categories of matters under the jurisdiction of the Department of Justice are plainly indicated:

1. Legal and other services; 2. Correctional services.

The department was created by special legislation in 1868 and, as the minister pointed out clearly, it has taken up many additional responsibilities since then.

Today, the duties of the Department of Justice cover a wide field. The minister mentioned among other things that he acts as the chief legal officer of the crown, that he must look after the combines investigations, the supervision of bankruptcy trustees, the penitentiaries service, the national parole board, the fight against organized crime, the problems raised by juvenile delinquency, correctional services in general, penal reform, court proceedings, law reform and constitutional matters.

That is a very important department, Mr. Chairman.

The Minister told us at some length about his intention of sharing his various responsibilities with the Solicitor General (Mr. Pennell) and the President of the Privy Council (Mr. Favreau).

I understand that the minister's remarks are preliminary but I am not convinced yet that this division has become necessary. I suppose the minister will have an opportunity to come back and explain to the house the need to divide those important responsibilities between three ministers.

The hon. member for Kamloops (Mr. Fulton), with his well-known experience, suggested that all those responsibilities be left in the hands of one minister and that the administrative jurisdiction be divided between three deputy ministers, that is for administration, application and enforcement of legislation.

That is a very captivating subject with regard to the efficient administration of justice in this country and the future of the department.

I think the minister should take some time when we have completed consideration of item 1 to better explain his idea and show the need to divide between three ministers the various sections of his department. He still has to convince us that this is necessary.

Up to now, I feel that the suggestion of the hon. member for Kamloops is much more unified and co-ordinated, that is a single minister with three deputy ministers to co-ordinate the various activities in order to

supply an element of efficiency and order, as well as co-ordination, in that very important department with social, judicial and constitutional ramifications in the whole country.

The minister spoke at length about administrative problems but, in the present circumstances and following all the crimes brought to light and the inquiries asked for, I would have liked him to explain the principles of his department's philosophy.

On what basis, on what ideas, on what philosophic concepts do the minister and his officials see the adoption of those laws, their enforcement, the reform of new laws, the maintenance of law and order in the country, in this year 1966.

I feel, Mr. Chairman, that the Department of Justice must anticipate, watch over, correct and serve justice.

[*Translation*]

The department must be extremely firm, objective and vigilant. Emanating as it does from that particular department, that justice cannot look with passivity, with listlessness upon the people's moral unrest and their behaviour. That justice must reflect the conscience of the best citizens, even if they are the minority, and it must at all times reflect a strict adherence to order, equality, authority and balance.

Its role is not limited solely to reprimanding; it must entice the citizens to reflection, to action and to regulation of their activities.

The justice which emanates from the Department of Justice must not be a time bomb nor a trap; it must be visible, ever-present, because justice, Mr. Chairman, commands respect.

It must not be sullied by insinuations, or used to political ends. Whoever he may be, every citizen must help justice. If there are members here in this house, regardless of their party affiliations, you know—

[*English*]

The Chairman: Order, please. It being six o'clock, in order that the house may proceed to the consideration of private members' business pursuant to standing order 15(3) it is my duty to leave the chair.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Winnipeg North Centre (Mr. Knowles), The Canadian Economy—suggested step to provide guaranteed annual income; the hon. member for Kootenay West (Mr. Herridge), Labour Conditions—reported statement respecting retirement age in industry; the hon. member for Okanagan-Revelstoke (Mr. Johnston), Farm Machinery—increased profits by Massey-Ferguson Company.

It being six o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions.

• (6:00 p.m.)

TRANS-CANADA HIGHWAY

INHABITED AREAS—SUGGESTED PROVISION IN CONTRACTS FOR SIDEWALK CONSTRUCTION

Mr. J. R. Keays (Gaspé) moved:

That, in the opinion of this house, the government should give immediate consideration to the advisability of inserting in every contract made under the authority of the Trans-Canada Highway Act, a clause to the effect that sidewalks or pedestrian paths be constructed along such highways passing through inhabited areas, so as to assure the protection of life and that the same principle should apply to existing trans-Canada highways.

He said: Mr. Speaker, the motion before us today is one whose implementation I have considered over a period of years to be necessary to enable the completion of a highway system where the drivers of cars can proceed along the highway assured that no pedestrian or bicyclist will be a worry to them by occupying space on the route in close proximity to the traffic lanes and also to give the pedestrian the security he needs when walking along the highway. In this case I am addressing myself strictly to highways in Canada where the national government has an obligation in respect of the construction because of the grants or subsidies made available to help a province complete a highway within its borders and linking with highways of other neighbouring provinces and also because of the fact that the specifications for such construction are written by the national government.

In this sense this motion has reference only to the trans-Canada Highway. This highway is being completed across this country and although the largest percentage of it is built in areas far enough removed from the populated regions that it causes no worry to drivers and pedestrians because of the limited

access roads to the highway and because of the fact that secondary roads provide the means for local traffic, yet there are areas in the country where the highway is being constructed or has been built and passes in close proximity to sparsely populated areas on the outskirts of more densely populated areas, and this warrants some protection for the bicyclist and the pedestrian.

Naturally I do not pretend to know the exact location of the trans-Canada highway throughout the country but I am sure the highway passes through areas where people live in close proximity to the highway and often have the necessity of visiting their neighbours. Very often this is done on foot. These are the areas which concern me, and I would hope that the government, when drawing up their specifications for acceptance by the provinces, would give serious consideration to having a clause inserted so that pedestrian paths or sidewalks will be an integral part of the contract.

I can think of some areas in the province of Quebec where this situation could well exist when the trans-Canada highway is completed, for example, from Levis and Rivière du Loup to Edmundston, where the present main artery will become a secondary road after the completion of the trans-Canada highway. As you often see when a new highway is built, the traffic pattern shifts to the new highway and in the inhabited areas communication with neighbours generally is done on foot by children visiting their friends or older persons keeping in contact with their neighbours.

I have admitted that this condition possibly is not general across the country, but in Quebec and other parts of eastern Canada where the farms normally are very narrow and consequently the residences are in close proximity, there is more communication on foot between neighbours than there is by transportation in vehicles.

What additional cost would this entail per mile of highway? Two alternatives can be considered. In the areas where these paths are required it could be done either by widening the shoulders of the highway by an extra six feet on each side and paving that section, which could be delineated by a solid line making it evident that this space is reserved for pedestrians and bicyclists, or you could construct the sidewalk along the limit line of the right of way. It is estimated this would cost in the vicinity of $15,000 or $18,000 per mile. What a small price to pay for the protection of life when we consider that in Canada, as shown by Dominion Bureau of Statistics report, catalogue No. 53206, motor vehicle traffic accidents, there were in Canada 1,132 pedestrians killed in 1963 and 1,195 killed in 1964 along the highway. The numbers in respect of bicyclists are 131 in 1963 and 116 in 1964. For motorcyclists and passengers the figures are 25 and 34.

When you consider that in the province of Quebec in this same period there were 488 pedestrians killed along the highway and in the following year 422—

Mr. Stewart: Mr. Speaker, may I ask the hon. gentleman a question? He has given figures in respect of casualties on the highways. Is the house to understand that these are casualties which occurred along the trans-Canada highway or on highways in general?

Mr. Keays: Mr. Speaker, I am bringing forward these figures in an endeavour to show that on the highways of Canada many pedestrians are being killed, and in the areas which I believe warrant sidewalks we know that accidents happen. In the rural areas —naturally the highways pass through the rural areas of Canada—we have figures which prove that for the same period in those areas alone there were 304 pedestrians killed in Canada as well as 39 bicyclists and 4 persons on motorcycles.

How do some of these accidents occur? There were 36 fatal accidents involving children playing on the roadway, 108 involving persons walking on rural highways, and others by reason of other causes. For the first nine months of 1965 the total figure for pedestrian fatalities in Canada is 858, of which 328 were in the province of Quebec and 259 in the province of Ontario.

• (6:10 p.m.)

May I also say that the statistics have not been reported for some areas such as the Northwest Territories and the Yukon. Non-fatal injuries to pedestrians in the same year, 1965, without Quebec and Manitoba reporting and including statistics for only six months in the Northwest Territories and the Yukon, amonuted to 8,423. These figures are rather alarming and, as I have suggested, if by the construction of sidewalks in certain inhabited or sparsely inhabited areas on the fringes of towns and cities we could save one life, the cost would be negligible.

The Canadian Automobile Association is conducting a pedestrian safety program to

protect the lives of those who walk along the streets or highways. That association should be highly commended in this regard. Perhaps it would be possible where these highways pass through inhabited areas for the space necessary for the construction of paths to be provided by the two levels of government, provincial and federal. In these areas the responsibility for the construction of the pedestrian paths is now that of the municipalities. Perhaps this could be done when the rights of way for these paths are being fixed or defined.

Perhaps the municipalities could build these paths under the winter works program but I doubt that unless the law in this regard is amended. I believe it states that no government grant can be considered for a winter works project where the government has already provided funds for construction. If this cannot be done there are two alternatives, the insertion of a clause in the trans-Canada highway specifications providing for paths as an integral part of trans-Canada highway contracts or outright grants to municipalities to build these paths along the trans-Canada highway where that highway passes in close proximity to heavily or sparsely inhabited areas.

Mr. J. B. Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the motion now before the house has strong implications for the future of the trans-Canada highway. I understand the appealing reasons that persuaded the hon. member to move this motion. Consequently, I hope he will forgive me for saying immediately that it seems to me that to pass this motion when it is considered in the context of the developing concept of a highway across Canada would be to take a backward step and would even increase the dangers to which he referred so eloquently.

The Trans-Canada Highway Act was passed 16 years ago in 1949, but the idea of a road from east to west, from Atlantic to Pacific, is much older than that. That idea goes back at least as far as the introduction to Canada of the motorcar. At the turn of the century Sir Wilfrid Laurier was talking about building, as he said: " . . . roads across this Dominion so that the peoples of the East mingling with those of the West might together become one indivisible nation."

When the Canada Highway Association was formed in 1910 one of its main objectives was the construction of a highway from one ocean to the other. At its first convention, Mr. A. E. Todd—

[Mr. Keays.]

Mr. Grafftey: What has this got to do with the debate? Throw away your prepared speech.

Mr. Stewart: May I say to the hon. member who just intervened from his seat that my purpose is quite clear and would be clear to him—

Mr. Grafftey: I have never listened to such bunkum before.

The Acting Speaker (Mr. Rinfret): Order, please. If the hon. member wishes to participate in the debate he will have an opportunity in due time to do so. The Parliamentary Secretary to the Minister of Public Words now has the floor.

Mr. Stewart: Mr. Speaker, it is clear why the hon. gentleman does not understand the line of argument I intend to develop. I have not yet developed it. When I have developed it he may then understand what I have in mind.

An hon. Member: Let us hope so.

Mr. Stewart: It is quite possible he may not understand it even then, of course. At the first meeting of that association Mr. Todd presented a gold medal which was to be given by the association to the first person who travelled across Canada from coast to coast entirely by motorcar. It is notable that the medal went unawarded for 35 years. Only 20 years ago, in 1946, was the medal awarded to a gentleman who travelled from Louisburg in Nova Scotia to Victoria in British Columbia.

Mr. Grafftey: More bunkum.

Mr. Stewart: During the period after world war I—

Mr. Grafftey: Pure bunkum.

Mr. Stewart:—when there was a great expansion in motor vehicle registration in Canada, the demand for long distance highways was not great but there was a demand for the construction of local roads and inter-regional roads within provinces. The responsibility for the construction of these roads was primarily laid upon the municipalities. Provincial governments intervened. Recognizing the needs of the time, they intervened upon the independence of the municipalities with a program of provincial grants; and the result in most provinces was the development of a trunk highway system directly under provincial jurisdiction.

The parliament of Canada saw the value of these roads to Canada at large in that there were interprovincial connections and made grants to the provinces between 1919 and 1928 under the terms of the Canada Highway Act. In the 1930's grants for highways were continued under the statutes providing for unemployment relief. By the year 1939, the year in which the second world war broke out, both motor vehicles and highway construction techniques had come a long way so that short distance and medium distance trucking was presenting a very serious challenge to the railways as a means of national transportation, especially in central Canada. Yet it was not until after the second world war that parliament gave direct and explicit recognition to the need for a trans-Canada highway. In 1949 parliament took legislative action toward realizing the economic and political advantages of such a major highway from one extremity of the country to the other.

Mr. Grafftey: Sheer bunkum.

Mr. Stewart: The emphasis of federal assistance now shifted away from highway improvements in the provinces, with all the appurtenances that would be suitable to highways within provinces, to the construction of a great national highway.

Since 1949, when the Trans-Canada Highway Act was passed, the target date for the completion of the highway has been pushed forward again and again. The original target date was December 9, 1956, and the present target date is some time in 1970. Of course, the amount of money that the federal government was to contribute to this highway project has been increased again and again.

• (6:20 p.m.)

This change in the target date for the completion of the highway and the increases in the amount of federal contribution have had what some would argue is a beneficial effect upon the trans-Canada highway, because during those years the nature of the traffic was changing and construction techniques were advancing very rapidly. Moreover, the kind of equipment available to contractors was improving. There were, of course, reasons other than the shortage of money in some of the provinces for the highway not going ahead. Some of the provinces started off with comparatively backward provincial highway systems and the trans-Canada highway was intruded into a highway system which was costly even without the added expense to the province of the trans-Canada highway. We know that it was not until 1960 that the province of Quebec joined this national undertaking. During the 1930's—

Mr. Grafftey: Mr. Speaker, I rise on a point of order. The hon. member for Gaspé (Mr. Keays) put a very serious question before the house. We have figures that tell us that between now and 1970, if nothing is done, one million Canadians will be injured—

The Acting Speaker (Mr. Rinfret): Order, please.

Mr. Grafftey: Mr. Speaker, I would have thought that by now the hon. member would—

The Acting Speaker (Mr. Rinfret): Order, please. Would the hon. member resume his seat.

Mr. Grafftey: Yes.

The Acting Speaker (Mr. Rinfret): Would the hon. member state his point of order and not—

Mr. Grafftey: My point of order—

The Acting Speaker (Mr. Rinfret): Would the hon. member resume his seat. The hon. member is raising a point of order?

Mr. Grafftey: Very definitely.

The Acting Speaker (Mr. Rinfret): Would the hon. member state his point of order without getting into an argument with the hon. member who has the floor?

Mr. Grafftey: Mr. Speaker, it is incredible to me that with regard to the problem of highway safety per se, introduced sincerely by the hon. member for Gaspé and a question on which many members of all parties wish to speak, the hon. member who now has the floor should have been allowed such latitude. I fail to see how his remarks have been germane to the debate and it is incredible to me that he was not brought to order long ago.

The Acting Speaker (Mr. Rinfret): I thank the hon. member for his remarks. However, as hon. members know, the problem of traffic safety has a great many facets. If the hon. member wishes to participate in the debate he will be able to do so later.

Mr. Grafftey: Mr. Speaker, I should like to press my point of order. We are not having a debate. The hon. member is reading to us documentation that has been put in his hands.

The Acting Speaker (Mr. Rinfret): Order, please. The Parliamentary Secretary to the Minister of Public Works.

Mr. Grafftey: This increases the cynicism of the public toward parliament. It is a disgrace.

Mr. Stewart: During the 1930's at a time when the government of Canada was giving assistance to highway construction through "make work" programs and for a period after the second world war, many so-called "major" highways were built, not only to serve vehicles but also to service the immediately adjacent land. Generally these roads were located so as to pass through the central part of each town or city. Consequently, what has come to be called "strip development" occurred on each side of these highways, particularly those adjacent to urban areas or to what the hon member for Gaspé has called "settled areas".

As vehicular traffic and strip development increased, these roads became overcongested and no longer had the capacity to move traffic in sufficient volumes or at adequate speeds. As this happened, new roads were required. These were built away from the older highways and in many cases they bypassed urban centres and the strip development areas. These new highways are what are called arterials or freeways. On these highways traffic movement is the primary consideration, with local access a secondary consideration. Building development along the arterials is either prohibited or discouraged.

In the case of freeways passing through built-up areas and arterials passing through areas where land access to the road is required, service roads parallelling the main route are now often provided. The older highways, those with the strip development, have reverted to the status of what are now known as local or collector highways.

I am saying that the thinking of the hon. member for Gaspé focuses on these local or collector highways and not on what is called an arterial. I would suggest to you, Mr. Speaker, that the trans-Canada highway can now be classified as an arterial.

Mr. Keays: Mr. Speaker, I should like to make a correction here. I was not referring to urban areas. I referred to rural areas and arterial roads to which the hon. member has referred, those roads which are built to pass through sparsely populated areas.

[Mr. Grafftey.]

Mr. Stewart: The notion of an arterial road is that there should not be any secondary traffic on the right of way. That is inherent in the very nature of an arterial road. On these arterials vehicular traffic movement is of primary concern and access by people owning property or living immediately adjacent to the road is definitely secondary. Through or around heavily urbanized areas and in many rural areas where the traffic is heavy—

Mr. Grafftey: Tell this to the bereaved families.

Mr. Stewart: —the trans-Canada highway is designed to freeway standards with no access to adjacent land except at regularly spaced interchanges. We have illustrations such as the Ottawa Queensway, the Winnipeg by-pass and the trans-Canada highway through the city of Montreal. I could illustrate this by reading to the hon. member a description of the Ottawa Queensway.

Mr. Keays: On a point of order, Mr. Speaker, my motion refers to rural areas and this is the problem on which I should like an answer. I am not interested in urban areas, because they have limited access to the arterials of which the hon. member spoke. I am interested in rural areas and highways on the fringe of small towns.

Mr. Stewart: The trans-Canada highway is not yet completed in many of the provinces, for example, Nova Scotia, Quebec and Ontario. Where the trans-Canada highway does pass near or through these settled areas, even though they are not incorporated towns or cities, what I am saying applies, namely, that this is a limited access highway and secondary traffic on the roadway or on the shoulders is not expected and indeed may very well be prohibited.

Therefore my argument concerning an area such as the city of Ottawa is equally apt for one of these "settled areas". It is true that there are areas wherein the trans-Canada highway was built before this arterial concept came to be fully developed. Part of the hon. member's motion would apply to such reaches of highway; this is quite true. But surely the thing to do in those areas is to provide secondary roads with adequate pedestrian paths and sidewalks and gradually to eliminate this kind of secondary traffic on the shoulders where there is no adequate protection.

The hon. gentleman said he would allow pedestrians and bicyclists to move along on the paved shoulders. I wish to submit to him

through you, Mr. Speaker, that this is really inviting the kind of danger that I am sure he wants to avoid. Here you have automobiles moving at a target speed of 60 miles per hour, and that may very well be the low point in the bracket rather than the high. Some of these automobiles will get over onto the shoulder. If you have children playing there, as children will if they are allowed there at all, and cyclists moving along there, they are going to be hit by these vehicles.

• (6:30 p.m.)

I think the hon. gentleman will have to face up to the fact that you cannot have an arterial highway and at the same time allow children to walk and play on the shoulder of that road, even if you do draw a white line down the edge of that road. You cannot have bicycles careening around there as the hon. member and I careened around on our bicycles. You cannot have that condition without inviting tragedy; and tragedy is precisely the sort of thing that must be avoided. You know, Mr. Speaker, there are members other than the hon. member for Brome-Missisquoi (Mr. Grafftey) who are concerned for the safety of the people of this country.

What I am arguing is that the hon. member has a very good motive but that the method he suggests for accomplishing it is one which might frustrate the purpose of the trans-Canada highway as it has developed over the years and which at the same time might frustrate the purpose set forth by the hon. member.

At the risk of being harangued by the hon. member for Brome-Missisquoi for being out of order, I want to suggest another problem that I feel is quite serious. I refer to the question of the constitutionality of the procedure that is being recommended. We must proceed within the context of the constitutional law as it now is. It may very well be that some alterations ought to be made in that constitutional law, but that is another question. We have to deal with the law as it now is. I am sure any gentleman learned in the law would insist that that is the realistic approach, at least in this debate.

You will notice, sir, that the motion would have the government take the initiative in introducing the requirement for sidewalks or pedestrian paths to be constructed alongside the trans-Canada highway where that highway passes through inhabited or built-up areas. I want to suggest to you, sir, that it is doubtful that this house has the constitutional right to prompt such an initiative. Transportation within a province is the responsibility of the provincial government, and it is exercised either directly or by delegation to incorporated towns, cities or other municipalities.

I am quite ready to contend that the trans-Canada highway as a whole is hardly a local work or undertaking, but it is notable that in the building of the highway proper the work of planning and construction has been left to the several provinces. It would strain credulity to the utmost to contend that sidewalk or pedestrian paths appropriately could be declared by this parliament to be works for the general advantage of Canada and thus fall into the category suggested by subsection 10 of section 92 of the British North America Act.

Mr. Reid: Mr. Speaker, would the hon. member permit a question? Can he tell us what the federal government's contribution was to the trans-Canada highway? I think it is a shared cost basis. Just what proportion does this parliament pay?

Mr. Stewart: Yes, Mr. Speaker, I can give some figures on that. As of February 25, 1966, the estimated value of the approved work was $992,418,300 and the share of the federal government of that—

The Acting Speaker (Mr. Rinfret): May I remind the hon. member that in giving the amounts subscribed by the federal government or provincial governments he is straying from the main debate?

Mr. Stewart: Yes, Mr. Speaker, I think that is quite right. I was just trying to respond to the hon. gentleman's question.

Mr. Reid: I do not think that is correct at all.

The Acting Speaker (Mr. Rinfret): Order. The Parliamentary Secretary to the Minister of Public Works.

Mr. Stewart: Probably the contention was going to be, Your Honour, that this was a demand for more money from Ottawa for several provinces. Back in 1949, sir, when the Trans-Canada Highway Act was—

The Acting Speaker (Mr. Rinfret): Order. I regret to interrupt the hon. member but his time has expired.

Mr. Keays: May I ask a question?

The Acting Speaker (Mr. Rinfret): Does the house give unanimous consent to the hon. member for Gaspé to ask a question of the Parliamentary Secretary?

Some hon. Members: Agreed.

Mr. Keays: I have been on an historic trip from the horse and buggy days to the day of the motor vehicle. I should like to ask the hon. member if he believes that the construction of pedestrian paths or sidewalks alongside the trans-Canada highway would be a retrograde measure? It seems to me that this was the inference he left. Does he consider that the safety of people, the safety of children, is a retrograde measure?

Mr. Stewart: I am glad to answer that question. If we are going to have a trans-Canada highway which is an arterial highway then the governments of the provinces, possibly with the assistance of the federal government, should be interested enough in the safety of the people of Canada to provide money for adequate alternative roads and highways to keep children and bicyclists off these arterial highways.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I join with the hon. member for Gaspé (Mr. Keays) in his desire to have a safe highway for people who may use the highway, but I have to agree with the Parliamentary Secretary to the Minister of Public Works (Mr. Stewart) that an arterial highway is no place for people to be walking. I say that because in Alberta we have had some problems with development that has taken place along the edges of the trans-Canada highway since it was built. This development has almost destroyed the purpose for which the trans-Canada highway was built. In other words, if our concept of this highway was correct in the first instance, it was to be a high speed arterial highway along which motor vehicles could travel at near maximum highway speeds without having to slow down for small towns, villages or even cities. At the same time motor vehicles would be able to maintain this speed without endangering the life of anyone.

The notice of motion is somewhat ambiguous in that it calls for these walks or pedestrian paths to be constructed through inhabited areas. Does this mean inhabited areas such as hamlets, villages, towns and so on? Does it include going through the suburbs of certain cities? I know the hon. member for Gaspé suggested that was not what he had in mind because there was some control of pedestrians in those areas through limited access and so on. The hon. member indicated he was more concerned about the somewhat less inhabited or sparsely inhabited areas throughout the countryside.

[The Acting Speaker (Mr. Rinfret).]

• (6:40 p.m.)

I cannot agree that there should be any provision for pedestrian traffic alongside a high speed highway. The Trans-Canada Highway Act probably should have contained a provision that all other traffic, whether inter-city motor vehicle traffic or pedestrian traffic, should be completely removed from the trans-Canada highway. You do either one of two things; you either have a high speed arterial highway or you defeat the purpose of such a highway by creating serious hazards to life and limb to those people who are going on and off the highway. So I suggest that there really is not a valid case to be made for constructing pedestrian paths along the side of this highway.

That is one matter, Mr. Speaker. There is another great problem which also relates to amending the Trans-Canada Highway Act. Once the initial grant was made the federal government completely withdrew from any further participation in construction of the trans-Canada highway. The reason I say this is that, as the parliamentary secretary said, the completion date of the trans-Canada highway has been pushed forward. The percentage of federal participation has increased in many areas with the pushing forward of the completion date. The hon. member also suggested that the nature of the traffic using this highway is changing and therefore that would justify making some changes in the former arrangement.

This may apply to some provinces but it certainly has not applied to Alberta. Nor does it apply to any other province which has completed its section of the trans-Canada highway. Therefore I believe this suggestion is a fallacy. The original concept of the trans-Canada highway was to construct at least one major high speed arterial highway from one coast of Canada to the other. Surely we, as the federal parliament of the country, cannot now accept that specifications laid down in 1949, 1950, or whenever it was, are adequate for traffic needs in 1966.

One case in point is the inadequacy of the trans-Canada highway between Calgary and Banff. It was built as a two lane highway. Traffic has increased to such an extent that that 80-mile section now requires four lanes of traffic for the safety of the people using it.

Surely it is almost rank discrimination for the federal government to withdraw from the responsibility of maintaining a modern highway from one coast to the other in keeping

with changing conditions in Canada. The Parliamentary Secretary knows very well that for the last two or three years the federal government has adamantly refused to participate, even on a fifty-fifty basis, in the modernization of sections of the highway which require modification to keep abreast of the standards required for present day needs.

I think this is the great inadequacy of the Trans-Canada Highway Act. It is not good enough for the federal government to make a one-shot contribution and then completely withdraw. This is not the case in areas where the highway is incomplete at the present time. The date has been moved forward and the federal government has increased participation to the extent of as much as 90 per cent of the cost of the most expensive sections. Yet those provinces with the initiative to build the highway quickly and which tried to meet the original completion date are penalized to the extent that, first of all, they get only 50 per cent of the cost and, second, they pay 100 per cent of the cost of future modernization, there being no federal contribution whatever. I think this is a violation perhaps not of the Trans-Canada Highway Act but certainly of the concept that there should be at least one modern high-speed highway from one coast to the other.

Whenever a province pleads with the federal government that what was good enough in the early fifties is not good enough now, that province is not listened to. They receive no consideration regarding maintenance of the highway, although that is understood, but they are even refused consideration of federal government participation in modifications to bring the highway up to the requirements of today. Surely the Parliamentary Secretary will realize that there are certain sections of Canada today which now require modern four lane highways if the safety factor necessary when taking into account traffic flow is going to be maintained.

Therefore I cannot honestly support the idea that there should be provision along these highways for pedestrian paths, because I do not think this is what the trans-Canada highway should have. However, I certainly think that the federal government has a responsibility to continue to particicpate in keeping this national arterial highway up to date.

The Parliamentary Secretary advanced the argument that there is some kind of constitutional problem over the federal government setting down specifications for this highway. Well, Mr. Speaker, whether or not two wrongs make a right I do not know but there is certainly a precedent here. The financial contribution of the federal government was contingent upon certain specifications being met. Therefore that precedent completely destroys the argument that there is a constitutional problem about the federal government suggesting in this case that certain specifications should be met.

Mr. Stewart: May I ask the hon. gentleman a question? Does the hon. gentleman realize that in this instance, unlike the situation that prevailed between 1945 and 1949, no municipality or incorporated town or city and no province on its own behalf has come forward asking for pedestrian paths? That was not true with regard to the original construction of the highway.

Mr. Olson: If the Parliamentary Secretary says that is true and that they did not ask for pedestrian paths, then I accept it. But I suggest that that does not aid his argument that there is a constitutional question. If it was originally proper for the financial contribution of the federal government to be contingent upon specifications regarding the width of the road, the compaction and all the other things that go into the building of a road, then it must certainly be equally constitutionally proper, if that is the right word, for the federal government to include other specifications now if they so wish. Therefore I do not think it is a sound argument to say that the federal government would be violating some constitutional provision by including pedestrian paths or anything else in the specifications for the highway.

I know there are other members who want to speak but in closing may I say that I do not believe that the federal government is discharging its responsibility to fulfil the intention that there be at least one transcontinental arterial highway across Canada when it makes a one-shot payment and then withdraws from participating in any of the modifications and modernization which may be required to keep the highway up to the standards required in 1966.

Mr. Heath Macquarrie (Queens): Mr. Speaker, I should like to congratulate the hon. member for the very important initiative he has taken. The question of safety on our highways is one of compelling national urgency. I believe it is one too in which the dominion, as my hon. and learned friend mentioned has been the case before, must

take the initiative. So what if the municipalities and provinces have not yet brought up this question? This is an opportunity for dominion initiative, as was the whole development of the trans-Canada highway. It goes way back to the days of Borden, though I do not want to run the risk of incurring the ire of my hon. friend by talking about what happened in those days.

I am impressed by the suggestion, somewhat negatively impressed, if I may say so, that the trans-Canada highway goes through remote areas where pedestrians should not be. There are certain ecological developments resulting in more and more people coming into the environs of the trans-Canada highway. In the province of Prince Edward Island this highway passes through the finest farms in the country and people are naturally moving closer to it.

• (6:50 p.m.)

It is essential to recognize that people other than those who are driving pell-mell out to Red Deer will be on that highway. We must think of those who use this highway for short trips. I believe the hon. member for Gaspé (Mr. Keays) has made an extremely important suggestion. Surely we have enough initiative to set out strips of these roads which would be of more practical use than mere portions over to the right. I believe the British have done good work in developing protective areas of this kind.

I wish I could speak at greater length on this subject because it is a compelling one. I hope the government will take note of this suggestion because it concerns a matter which is both urgent and important. I believe the hon. member for Brome-Missisquoi (Mr. Grafftey) is doing a wonderful thing in this country to dramatize the horrible statistics we are building up all over this nation. The role the federal government could play in a situation of national proportions cannot be too often underlined.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I was intrigued by the eloquence of the hon. member for Medicine Hat (Mr. Olson) in the latter part of his observations. I am not sure that they were germane to the resolution before us but I would be pleased to join with him on another occasion in calling for extended federal participation in a national highway program. I should like to say I thoroughly agree with the remarks he made at the outset of his speech, remarks which I believe are germane to the resolution. I am sure the hon. member for Gaspé (Mr. Keays) has the best of motives in putting this proposal before the house and I wish to thank him for turning our thoughts to this question. Since there is little time left to us I do not wish to make any prolonged comment on the subject but I should like to say that if the hon. member had put before the house a proposition which was the reverse of his present proposal, if he had suggested that there should be a clause in the specifications for the trans-Canada highway which would prohibit the construction of pedestrian walks or paths alongside that highway, I would be very happy indeed to support him in the interest of ensuring safety for both motorists and pedestrians.

I think this is the direction in which we must move. We must to ensure that pedestrians cannot get anywhere near this highway. The specifications should in fact provide for the construction of barriers or fences, for example, to make sure that pedestrians do not have access, thereby endangering their own lives and the lives of those who are travelling in motor vehicles.

Mr. Richard Cashin (St. John's West): Mr. Speaker, I congratulate the hon. member for Gaspé (Mr. Keays) on bringing this matter to the attention of the house so that there can be some discussion of it but I must say I find the argument put forward by the Parliamentary Secretary to the Minister of Public Works (Mr. Stewart) much more germane than some hon. members would like to believe.

As to the constitutional question it seems to me there is a difference between bicyclists and pedestrians and other interprovincial traffic. I find this out of keeping with the remarks of the hon. member for Sainte-Marie (Mr. Valade) that we are not paying enough regard to the technicalities of the constitution. I do not believe the constitution would debar the federal government from doing something in this direction if the provinces and the municipalities were to make a request. I believe the remarks of the Parliamentary Secretary regarding the development of the trans-Canada highway were sound, though I see the hon. member for Brome-Missisquoi (Mr. Grafftey) shaking his head.

In my opinion we are approaching this problem from the wrong direction. We should be concerned about the secondary roads in the provinces where there is more of

the kind of traffic to which reference has been made. If this is a problem at all on the trans-Canada highway it is a much greater problem on the local roads. I think the provinces would be best advised to make arrangements for these local and secondary roads before turning their attention to the trans-Canada highway.

My concept of the trans-Canada highway is that it is not a road of the kind which would encourage pedestrian movement, cyclists and so on. It is true that because of local needs in certain rural areas in provinces such as Prince Edward Island the trans-Canada highway may perhaps cater to more local traffic than it does in provinces such as Alberta.

This brings me to an important point. It may be the weakness of many of our cost-sharing agreements with the provinces is that we seek to devise formulae which are applicable to all the provinces. I agree with the hon. member for Queens (Mr. Macquarrie) that pedestrian and other traffic may present a larger problem in his area than on the main arteries of Alberta. Perhaps we should recognize that this presents special difficulties for Prince Edward Island, and particular arrangements should therefore be made to deal with a situation which may not occur in other provinces such as Newfoundland, Alberta, British Columbia and so on.

Mr. Keays: I am sorry, there is no trans-Canada highway in our area but the federal government is building a highway in lieu of the railroad.

Mr. Cashin: That is an improvement on which I think the federal government should be congratulated. I am sure the hon. member will be a more effective representative as a result of this move by an enlightened government.

An hon. Member: You have just killed another pedestrian.

Mr. Cashin: There are comments from the other side. I agree with the principle of this motion but I think it is not the best way of dealing with the difficulty. We are not helping the area where the problem is greatest. Possibly the federal government in all its agreements with the provinces should pay more attention to local conditions. We do not have a trans-Canada highway in my constituency either. We do not have the same financial ability to build these highways as Alberta has. We should like to be able to enter into special agreements in respect of these roads just as the hon. member for Queens would like to ensure the safety of road users in Prince Edward Island.

Mr. Deputy Speaker: Order. The hour for the consideration of private members' business has expired. The house will revert to the business which was interrupted at six o'clock.

SUPPLY

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

DEPARTMENT OF JUSTICE

Legal and other services—

1. Administration including the office of the superintendent of bankruptcy, grants and contributions as detailed in the estimates, gratuities to the widows or such dependents as may be approved by treasury board of judges who die while in office and authority to make recoverable advances for the administration of justice on behalf of the governments of the Northwest Territories and the Yukon Territory, $2,504,300.

• (7:00 p.m.)

[*Translation*]

Mr. Allard: Mr. Chairman, when the house adjourned the debate on justice estimates, at six o'clock, I was saying that the administration of justice deserves to be respected. It must not be sullied through insinuations nor used to political ends.

Every citizen, without exception, must help justice. If a member or members in this house know of crime or criminals in our ranks or in the ranks of provincial politicians, it is their bounden and pressing duty to denounce said crimes or criminals. Let them be denounced either openly here in the house or discreetly to the Minister of Justice. No member has the right, under the cover of his immunity or privileges, to tarnish our reputation as legislators and to sow in the mind of our population the seeds of doubt, contempt and derision.

If anyone has evidence, he should come forward and give it. Let there be no more scheming which, in some quarters, is developing into persecution or partisan contentment. Statements, either in the house or behind the scene, like "Liberals have seen nothing yet" or "Conservatives will also have a taste of it" or "Créditistes will fade away", should no longer be heard. If this is politics on a high level, then it is most depressing.

Mr. Chairman, the cards should be put on the table and wrongdoings, if any, laid bare, but for goodness' sake let there be no more negative cogitation and goading.

The hon. member for Yukon (Mr. Nielsen), whom I have heard speak in the house and whose speeches I have reread in *Hansard,* has developed a habit of making insinuations. They are probably well-founded—I do not know—but he is adopting the attitude of a citizen who is not trying to help the Department of Justice. If he knows the facts, the crimes, the criminals, let him expose them, and I shall be the first to support his charges. For instance, as reported on page 1814 of the official report, the hon. member for Yukon stated:

> Does the minister sit there and endeavour to suggest to me that the murder of Payette is not linked with fraudulent bankruptcies?

Mr. Chairman, is this not a far-reaching innuendo? He further said:

> I will deal with that matter when the minister has answered the questions that I have placed on the order paper.

The hon. member has put questions on the order paper which have not yet been answered. Those questions should be answered without delay, but since he has not yet obtained answers, I feel he is ill-advised to throw out, in the face of the Canadian people and of members of this house, innuendoes which reflect on the representatives of the people.

In view of previous events, among others, the Dorion report, the hon. member and other members were fully justified in demanding from the government an inquiry into this matter. The report not only indicated irregularities but implicated certain people. But today, if we are justified in asking and demanding an inquiry from the government and if the Minister of Justice does not seem to have such detailed information as some hon. members, I believe it is the duty of each of us to help justice and not hinder it, and to table the misdeeds some people are or would be accused of.

On the other hand, the minister should make up his mind to discharge his high responsibilities with firmness and dispatch. It is up to him to make the decisions and not always rely on civil servants. I hold the Minister of Justice in high esteem. To me, he is a most sympathetic member. But the minister seems prone to abstain from taking any initiative.

Some time ago, while asking a question in this house, I proposed the establishment of a constitutional court. The minister answered and commented on my question. Hon. members can read in this session's *Hansard* his statement to the effect that his officials have not decided yet on the advisability of convening the attorneys general of the various provinces to settle the matter. I suggest that this is not the democratic way of doing things. If it is not up to the people's representatives to decide but to civil servants or to bureaucracy, I feel we are heading for trouble.

I would ask the minister to take the initiative and give instructions to his officials in all matters concerning his department, and I know he can do it.

I support hon. members who requested an investigation on organized crime. In view of various happenings, and of all the insinuations we hear on all sides, the Canadian people have lost confidence in the administration of justice in this country. I am talking in particular about the average Canadian, about all our friends in each of our ridings, the people we know, the labourers, the farmers, and the white-collar worker who make up the majority of the people. In view of what has happened, in view of the insinuations which are increasing, people are worried. I say it frankly and without any political partisanship because, if there is a department where political partisanship must not exist, where political controversies must not be encouraged, it is the Department of Justice. We must go about it without prejudice, objectively.

I ask the minister to agree to the setting up of a national investigation on organized crime, something which was done in many countries. In the United States at the time of Kefauver, a very useful investigation informed not only the government but also the American people. In view of certain events, the government must agree to a national investigation. It must be made throughout the country. On the other hand, in view of the responsibilities entrusted to us as legislators, since we must pass the laws, I feel that the sittings should be held here in Parliament to enable us to question the witnesses which would be called.

• (7:10 p.m.)

I think the Canadian people would be in favour of such an initiative and that the government would have nothing to lose. On the contrary, it would increase in the minds of the people the importance and value of the Department of Justice. Numerous reports have informed us that crime has considerably increased in our country.

Some members gave statistics. Crime has increased by almost 10 per cent in Canada in 1964, as compared to the previous year, and by over 20 per cent compared to 1962. That is what the dominion bureau of statistics tells us. If you study the kinds of offenses, the picture becomes alarming, particularly with regard to serious offenses, those which put in danger the security of the citizen, his good faith, his desire to live in a free country, a nice country.

It is noted that capital murders increased from 148 in 1962 to 162 in 1964; that attempted murders increased from 83 in 1962 to 122 in 1964, while common assaults, except indecent assaults, reached 27,818 in 1962 and 40,460 in 1964. I could go on to about ten other fields and establish very easily, with the support of exact figures, that crime is increasing at a very fast pace and in an alarming way in Canada. There is no need to deal at length with the figures, because they are convincing and the situation is obvious.

The causes of this increased criminality should be investigated, the networks exposed and the underworld activities made known.

It is up to parliament, and especially to the government, to take the initiative and I think the government and the Department of Justice would thus greatly enhance their positions.

The Minister of Justice would surely increase his stature considerably if he remained aloof from the overly partisan attacks from the opposite side of the house and made a fine gesture, the gesture of a man aware of Canadian justice, and granted a national inquiry on criminality, its causes, its scope and on the remedial measures indicated, not only for juvenile delinquency but for all those groups of citizens. They are not numerous but rule in many areas that should be unmasked to improve the soundness and the decency of the whole country.

There is also within the Department of Justice the problem of police co-operation. We hear statements in the house to the effect that the R.C.M.P. is doing excellent work. I, for one, have no charge to bring against the R.C.M.P. and I am under the impression that it is a widely experienced police corps. But, the statements made by the Minister of Justice of Quebec are certainly not incongruous. For instance, he stated on January 14, 1966, that the R.C.M.P. refuse to provide the information requested by other police corps in the fight against organized crime. But that is a responsible man, the Quebec Minister of Justice. I am not ready to accept completely all his comments, but here is the statement of a responsible man which contradicts other statements made by the federal Minister of Justice and other members of the house.

I think that those controversies and disagreements should disappear in the interest of the administration of justice so that police forces throughout the country may co-operate more fully and exchange the information necessary for a joint and effective campaign against organized crime.

Mr. Chairman, I should like to refer briefly to fraudulent bankruptcies. To be quite frank, what we have been told in the Mercier report, which is a provincial report, or in statements made by other Canadians, in this house or elsewhere, is enough to make one's hair stand on end, even if one does not have much hair left. Looking across the country, it is especially in Ontario and Quebec that we find strongly organized networks and that we see numerous companies offhandedly sharing profits that should be distributed among honest people. Those are true facts which are substantiated in the Mercier report. Those are grievances recognized by the Department of Justice. The minister cannot look at all that with indifference and apathy. On the contrary, he must act with impartiality, firmness and foresight. It is up to him as Minister of Justice to take immediate action. And that is why I say that a national commission set up either outside the house or under the Senate, and which members of the Lower House could attend, appears absolutely necessary. When I say this, I am not necessarily supporting a political leader or a political party. I represent the average Canadians of my riding, my region or my province who believe that if the government ignored more the attacks of the opposition and if it raised itself—because the Department of Justice is a highly important field—above such partisan contingencies, it would exalt itself and win over the admiration of thousands of Canadians.

The Minister of Justice should take positive steps to establish law and order in the country so that we have a clear blue sky again.

That is what we expect from the hon. Minister of Justice. I am sure he will prove equal to the task but he must act and without delay.

Mr. Chairman, no amendment has been made to our federal Bankruptcy Act in the last 17 years.

The main purpose of the act is to help the bona fide debtors and protect the creditors, while allowing for the best disposal of the bankrupt's goods.

It reflects the old principle of free trade and is meant to encourage initiative and even daring in business.

The problem is serious. In November 1965, total losses attributed to bankruptcies amounted to $15,600 million. According to Dun & Bradstreet, 248 bankruptcies were registered in Canada, the highest number in 1965, except for the 274 bankruptcies reported in March of the same year.

It is noted that bankruptcies are increasing in Quebec, Manitoba and British Columbia. The largest increase in losses were registered in Quebec and British Columbia.

The tendency remains upwards: the office of the superintendent of bankruptcy entered the following number of bankruptcies: 1959, 3238; 1960, 3641; 1961, 3511; 1962, 4297; 1963, 5189.

The bankruptcies occur mainly in the following categories: primary industry, manufacturing industry, construction industry, transport and communications and other services, business bankruptcies, finance, insurance and real estate—

[*English*]

The Chairman: I must advise the hon. member that the time allotted to him has expired. There is no agreement that the hon. member continue.

Mr. Favreau: We would agree that the hon. member continue.

The Chairman: Does the committee agree that the hon. member for Sherbrooke continue?

Some hon. Members: Agreed.

[*Translation*]

Mr. Allard: Then I conclude briefly, Mr. Chairman. I thank the hon. members for allowing me to conclude my remarks. I wish to suggest some amendments to the Bankruptcy Act, because we must not only criticize and demolish, but also correct the situation. I suggest certain amendments by which the situation can be improved.

• (7:20 p.m.)

First of all, it would be advisable to appoint in each judicial district competent, specialized and permanent officials. These new trustees, if they could be called that, well-paid, just like a clerk of the court, could settle without delay, as soon as possible and honestly, bankruptcies and liquidations coming under their jurisdiction.

Second, anyone filing a statement in bankruptcy should be automatically declared bankrupt, so that he might be the subject of a full investigation.

Third, a closer watch should be kept on the bankrupt who wants to get back into business because we have seen, for many years, people declare themselves bankrupt and two or three months later become the most prosperous people in the country, and often in the same sector of the industry or economy.

Fourth, it would be desirable to set forth clearly the responsibilities of the governments. We have heard various statements, which did not always agree, from the federal Minister of Justice and the Minister of Justice of the province of Quebec. I think that it would be advisable to set forth clearly the responsibilities of the federal and the provincial governments.

Personally, I understand that the Bankruptcy Act comes under the federal government, which is responsible for its administration, and that apparently the proceedings must be instituted by the provincial government.

But in their statements, the federal Minister of Justice and the Quebec Minister of Justice do not seem to agree on the responsibilities of each government.

In my opinion, everyone should agree so that this very important act, after some suitable amendments, will bring about the desired results.

Would it not be better to transfer to the provinces jurisdiction in the field of bankruptcies? It is not that I want to take this jurisdiction away from the central government, but since those problems are often local and regional and are often related to immediate problems, a provincial government might be able to keep a closer watch, with the help of other provincial laws, on the general progress of the regional business community. It might be advisable to examine the possibility of handing over to the provincial governments jurisdiction in the field of bankruptcy in order to increase efficiency.

[*English*]

Mr. Fairweather: Mr. Chairman, I do not think anybody has to apologize for the disquiet there is in the house about the Spencer case. I intend to take only a minute or two to

discuss some of the aspects of it which come to my mind, and the real reason why members —admittedly mostly in the opposition, although we have had very helpful evidence of disquiet from the government benches as well—are disillusioned about the government's handling of this case.

Let us review just a couple of things to put the matter in perspective. When the minister was asked about an investigation he very promptly said no. When the Prime Minister was asked about an investigation into this case he said maybe. That was his intervention, and some of us thought that, in a statement on government policy covering the aspects of this case and really all security cases, he would come forth with a policy or method for handling these difficult situations in a manner which would fit into the Prime Minister's philosophy, which he expounds as being new politics.

Of course finally the Prime Minister said no to the suggestion; and the minister today in what I have to call just a weak apologia, also said no. Let me review one or two other things that have served to disillusion members about the government's handling of this case. First of all there were the terms used by the Department of External Affairs when it made its announcement about the request for the recalling of the Russians in question. Any newspaperman, I suggest, who is worth his salary, would have had no difficulty in tracing Spencer from the evidence propounded in that press release by the Department of External Affairs. That is of course exactly what happened. An enterprising newspaperman traced Spencer because of that department's release.

There is another aspect that was unpleasant to me, relating to the use of quite an extraordinary term in contemporary Canadian history. That term which was used is "non-nationals of Canada". This was a discrimination, and when I asked the Prime Minister about it he said: Well, this is perhaps because these innocent people come to this country and are duped or something by lures of money. It remains however that the government used this quite unnecessary and unpleasant appellation.

In spite of all the speeches that have been made during this debate the minister has never really told us the story about his feature presentation on the program "This Hour has 7 Days". He has skirted this subject. Many of us who watched the minister that night, and who have been interested as this case has developed in parliament, have been waiting for his apology, if that is the word, about this extraordinary statement. One must remember that the minister is not a newspaperman. I have great respect for newspapermen. But the minister is a privy councillor charged with protecting the rights of citizens of this country, and he does not do anything privately in this or other areas of his ministerial responsibility. We call the minister to account today because he as the Minister of Justice and the Attorney General chose to use a very popular program on which to stigmatize Spencer. The Minister of Justice for Canada made this public identification on a program that has very wide popularity. I am told it has an audience of between two and a half and three million Canadians.

• (7:30 p.m.)

There are some people in this country who believe words, because they think words are precious things. Just because the Prime Minister of Canada does not lead the party to which I owe allegiance does not mean I do not pay some attention to what he says. I do not think this is a very startling revelation. When the Prime Minister of Canada discussed his new politics, I believed him. I thought, here is a man who believes what he says; he has had long experience in public life and perhaps in fact there is a new politics of Liberalism. Of course we have seen by this and other shoddy acts that those were just idle words.

I have not really any particular quarrel with the decision of the minister not to prosecute in the courts of the land. When I say that, Mr. Chairman, I would hope that this advice was taken after consultation with the law officers of the crown, which would be an innovation for this department in recent years. But I am assuming that this is now the custom in the department and the law officers have given this advice. I do not have too much quarrel with this. But surely the minister in accepting the recommendation that there be no prosecution is missing the point, the point being that the opposition has asked for a commission to judge the facts surrounding the public stigmatism of this man by the minister on a television program, and all the other events surrounding this matter.

There is one other matter which I should also like to clear up now. It was a rather extraordinary intervention by the member for Trois-Rivières and I think some public

comment should be made about it. The member suggested, if I read his remarks correctly, that if the opposition would only keep quiet about the Spencer case, perhaps the government would give Mr. Spencer his day in court and then we could go on to other things. This was truly an extraordinary bargain in regard to a man's civil liberties. However, I leave the hon. member for Trois-Rivières to his independent status and hope that this advice will be taken only by himself, because that is about all it deserves.

When the minister made his statement today he used words that are familiar to all of us but they were quite out of fashion in the context in which he used them. I found them extraordinary because in turning down a request for a commission to investigate this matter he used the phrase "due process of law" and the expression "normal processes of government". Well, what are the normal processes of government? Of all the extraordinary gobbledegook, this—

Mr. Cardin: "Administration of government" was the expression I used.

Mr. Fairweather: I thank the minister for that correction. However, "normal administration of government" is still an elusive phrase in the context of a man's liberty. Then the minister finished with a ringing declaration that this decision was made on the basis of long established practice. It is my contention that the minister should be the one person in the cabinet, if the only person, who should be fighting tooth and nail to see that the rights of the citizen in this country remain inviolate. The Minister of Justice is the guardian of the individual in this respect. Surely more than anybody else in this nation he is the guardian of the rights of the citizen.

Instead of protecting these rights, he chooses to throw them away and smother up his action with phrases like "due process". This is a mockery of due process, of course, of "normal administration of government" and "long established practice". But there were brave men of his own party in this debate. They have been mentioned but I will remind the committee of them again. They were the hon. member for York-Humber and the hon. member for Verdun. There was one hon. member who was called in, or perhaps he volunteered. I refer to the Prime Minister's parliamentary secretary, the hon. member for Leeds, who I regret is not present at the moment. I have had the privilege of sitting with this hon. member on various meetings of the Canadian Bar Association and on numerous occasions the hon. gentleman has taken part in panels on civil liberties. What an extraordinary apology he made for the actions of the government. Better his very constructive speech on penal reform had been his sole contribution to this debate.

We in the opposition have been blamed because we are spending some time on a person's rights. I think protecting the rights of a citizen justifies the existence of this institution, if nothing else. I believe it is a sorry day when we hear the Prime Minister of this country deny to a person a fundamental and basic privilege which should be that of all citizens. I have a little book here, Mr. Chairman, from which I should like to read two passages. Perhaps the minister would like to read it at the start of his career. Perhaps he has; perhaps he has not, too. His philosophy does not show that he has read very much of it. Sir Alfred Denning, now Lord Justice Denning, in the Hamlyn lectures published under the title "Freedom Under The Law" made the following comments that perhaps the minister would like to reflect upon:

> Whenever one of the King's judges takes his seat, there is one application which by long tradition has priority over all others. Counsel has but to say "My Lord, I have an application which concerns the liberty of the subject" and forthwith the judge will put all other matters aside and hear it.

We have an application that involves the liberty of the subject and we in the opposition ask this government to put all other matters aside and hear it. That is our request. It is a request that is founded in the best traditions of the common law. Then, in a dissent—but we in the opposition are used to dissent—Lord Atkin said in a dissenting judgment on a case of arising out of the War Measures Act of the United Kingdom, and I shall put this on the record because it is the philosophy of the minister that disturbs me, this pattern, this denial of ordinary justice:

> This power to imprison a man without trial, not for what he had already done, but for what he might hereafter do, was entrusted by parliament to the executive.

By the War Measures Act:

> It could not be reviewed by the ordinary courts of law.

The passage continues:

> Lord Atkin, in a great judgment, vigorously dissented from this view. He declared that: "In this country, amid the clash of arms, the laws are not silent. They may be changed, but they speak the same language in war as in peace. It has always been one of the pillars of freedom, one of the

principles of liberty for which we are now fighting, that the judges are no respectors of persons and stand between the subject and any attempted encroachments on his liberty by the executive, alert to see that any coercive action is justified in law."

I suggest that the minister should be standing between this man Spencer and the actions of the executive of which the minister is a member. He should be the one who is championing a commission of inquiry, not standing up here with some apology for not having a commission examine this matter. The minister really gave us a pathetic example this afternoon. The claque behind him was saying "When was this done?" and he was saying, "Oh, it was done in 1960 or 1961". What a commentary on a very serious and important case.

I hope the minister before his estimates are finally approved will agree that in the case of Spencer an injustice has in fact been done. It is an unusual thing in this country that ministers are so bound by their colleagues, apparently. The minister, if he wants to make himself a hero, would call for a commission, and if the executive did not agree he would resign and we would think he was a real guardian of the citizen. Now we really do not know what to think of him.

• (7:40 p.m.)

[*Translation*]

Mr. Laflamme: Mr. Chairman, before participating in the debate on the Department of Justice supply, I should first like to echo, up to a point, some of the words spoken a while ago by the hon. member for Royal (Mr. Fairweather), the hon. member for Sherbrooke (Mr. Allard), and those of the member who spoke before me.

Still, speaking quite candidly, I wonder if the house is really the place where the fundamentals of all matters related to the administration of justice should be discussed.

I suggest that, when dealing with such a vastly important question as respect and prestige of justice itself, it is necessary, in my opinion, to care about the role of a Minister of Justice. And, as the hon. member who has just resumed his seat at one time was attorney general of his province, he has with some restraint and very rightly, shown that the Minister of Justice or the one responsible, among the people, for administration of justice must do it with serenity and that, being bound by the laws, he has the responsibility and the duty to administer it in the interest of all citizens.

The hon. member for Sherbrooke, who, in a certain paper, is considered as a great constitutional adviser, should nevertheless refer to paragraph 14 of section 92 of the British North America Act, which, I would say, is quite fundamental:

The administration of justice in the province, including the constitution, maintenance, and organization of provincial courts, both of civil and of criminal jurisdiction, and including procedure in civil matters in those courts.

That comes under the jurisdiction of provincial legislatures. And when I heard, a few moments ago, the hon. member for Sherbrooke asking for the establishment of a royal commission to investigate crime, I wondered if, within the framework of the constitution itself, this can be done with logic without the co-operation and the active participation of the various Departments of Justice of the ten Canadian provinces, in view of the fact that the administration of justice comes under the jurisdiction of the provinces. And this is so true, sir, that when a lawyer is designated or recommended by the federal Minister of Justice to plead a case in a provincial court, it is necessary for him, in order to be heard by the judge, to receive a precise and special mandate from the attorney general, or the Minister of Justice in the province in which the case is tried.

Well, I respectfully submit that this section is proof that, in this matter of administration of justice, active co-operation between the ten provincial governments and the central government is absolutely necessary and essential.

My hon. friend, the member for Sherbrooke, asked once again a few moments ago, that the federal government take the initiative in this field. I wonder how he can reconcile some of his constitutional opinions with those he expressed in certain other speeches he made, in which he advocated that all initiatives, in all fields and jurisdictions, should always remain with the various provincial governments.

Now, should the Minister of Justice be a police chief? Should he be a public prosecutor? I believe he should instead be responsible in this house for the orderly dispatch of matters relating to the application of the laws enacted by parliament.

I do not propose to discuss in detail all the speeches we heard about the respect of individual freedoms, because all members of this house agree on this point and moreover, it is one of the reasons why parliament

exists. On the other hand, I would hope we would not hear in this house so many speeches on this subject and that we shall hear less perhaps than we did last week about the sacred rights of a small group of would-be Irishmen being expropriated, unfortunately, in the village of Shannon, which Montreal *Star* newspapermen looked for and failed to find, because there is no village of Shannon, either in Montmorency or in Portneuf ridings.

Mr. Chairman, I want to bring to the attention of the Minister of Justice, and I think this falls under his jurisdiction, a most important point. I refer to the appointment of judges, under section 99 of B.N.A. Act which to my mind should be amended:

> The judges of the superior courts shall hold office during good behaviour, but shall be removable by the Governor General on address of the Senate and House of Commons.

I believe and respectfully submit that this section is obsolete, and that in this particular field, a more adequate method of going about it could be sought, for instance, through a petition or written request, signed by a majority of officers of the bar, countersigned by the chief justice assigned to the case, and then approved by Minister of Justice. I think this would meet the basic requirement to give complete freedom to a judge and would avoid a repetition of past difficulties.

Now, I respectfully submit that, in certain matters coming under exclusive federal jurisdiction, such as the Bankruptcy Act which has been so much in the news recently and which a number of members spoke of in the house, a great deal of statements often suggested the possibility that some people were or would eventually be involved.

To resort to such sensationalism in the house is to imitate the yellow press and to try to discredit the integrity and competence of the members of the house.

It would be more intelligent and fair toward all concerned to suggest useful amendments which would allow the Bankruptcy Act to be and to remain useful to a certain category of bankrupt taxpayers if they take the trouble to read it and to find out why it is not applied as it should be. If the creditors would merely take the trouble to do so at their meetings, it would be easy under the section of the Bankruptcy Act defining fraud to take the necessary steps to prevent the recurrence of frauds committed by a bankrupt.

To provide for a better application of the existing legislation, some of the bankrupts and also the inspectors appointed at the creditors' meeting, should be given additional powers. Direct assistance should also be provided, in my opinion, so that the onus of proceedings in cases of bankruptcy should not rest on the shoulders of creditors who stand to suffer heavy losses because of insolvent people who offer them nothing but a petition for bankruptcy.

Inspectors should have greater power to deal with a trustee, because they are the ones who must keep a check on bankruptcies. Unfortunately, such is often not the case.

There is also a useful change that could be suggested when the time comes to amend the act, that is to make it mandatory for the bankrupt to deposit the attachable part of his salary and also to keep on stipulating in the act that whoever, while bankrupt and still not liberated, is party to or takes part in a business transaction of any kind, commits a criminal offence.

Mr. Chairman, those are the few remarks I wished to make concerning the estimates of the Minister of Justice. In my opinion, it would be much more useful to make constructive suggestions with respect to the estimates of the Department of Justice generally than to keep on repeating the same speeches which, I admit, have a certain value. But when we talk about the freedom of private individuals, about everyone's right to a fair trial, and the same thing is repeated over and over again by the right hon. Leader of the Opposition, in every possible way, while dealing with the principle involved in the Spencer case, I think we could go on to something else instead of hearing about the case of Mr. Spencer for several days more.

• (7:50 p.m.)

[*English*]

Mr. Prittie: Mr. Chairman, I did not rise to take part in the discussion of the Spencer case, except to say this. I listened to the speech of the hon. member for Royal and I was very impressed by it. I would say to the Minister of Justice that even if he discounts what many other hon. members have said as remarks of a partisan nature, he should listen particularly to the hon. member for Royal. He was for several years attorney general of a province, and more than that, he has felt free to criticize his own party, and criticize them severely, on many occasions. He has studied the question of civil rights at great

length. His remarks were well-founded and, I thought, very much to the point. There is a case to be made for Mr. Spencer, and I think the hon. member for Royal did it as well as anyone.

Now, Mr. Chairman, I want to speak particularly about the estimates of the department in relation to the Restrictive Trade Practices Commission and the combines investigation branch. I would not want the civil servants who worked so hard to prepare the annual reports of the Restrictive Trade Practice Commission and who put in their share of the work which goes into the annual report of the Department of Justice to feel that no one reads these reports.

There have not been too many speeches in this house on the question of combines investigation. The hon. member for Peace River referred to them briefly the other day, and I have spoken on the matter a number of times. I spoke in December of 1963, and on looking at the speech just recently I found I could really make the same speech tonight, because practically nothing has happened in the meantime.

I had another speech ready in November of 1964, but I did not give it because during the Justice estimates for that year the hon. member for Yukon got the discussion going in a different direction and the question did not seem appropriate at the time.

An hon. Member: Which direction was that?

Mr. Prittie: It had to do with skating rinks in Montreal, and all that sort of thing.

As I said, Mr. Chairman, very little has changed since this government came to power as far as combines investigation is concerned. I freely admit that my speech in 1963 was largely a review of a book published by two academics, Thorburn and Rosenbluth, entitled "Canadian Anti-Combines Administration, 1952-60". These two professors pointed out certain weaknesses in our combines legislation at that time and also in the administration of the act. In the meantime there has been no change made in the legislation.

However, in one respect there has been a change. These two professors criticized the amount of money being budgeted for combines investigation at that time, and I am pleased to say that there has been an increase over the last two years in money allocated for combines investigation work. In 1964-65 the two branches combined—the commission, and the office of investigation and research —had a budget of $729,000. In 1965-66 this was increased to $837,000; and I see the estimates for 1966-67 call for an amount of $903,200. So there is some improvement in that field in the budgetary aspect.

I have followed the ads which have been put out by the Civil Service Commission. There have been a number published in the past year and a half asking for personnel. I should like to hear from the minister at some time on the question of personnel and whether these branches are getting adequate staff. In the report of the Director of Investigation and Research for the year ending March 31, 1965, I notice this comment appearing at page 72:

> The shortage of staff for specific investigations has imposed an important limitation on the development of research studies. Efforts have been made to recruit senior research personnel but up to the present, these efforts have not succeeded in the appointment of qualified persons. In view of the difficulty experienced in recruiting senior research staff for career posts in the Branch, attention is being given to the possibility of having qualified research scholars in the universities accept temporary assignments to undertake particular research projects.

At some time I should like the minister responsible to disclose how successful the department has been in recruiting senior research personnel as well as more junior personnel to carry out investigation work.

The deficiencies in the law relating to mergers, Mr. Chairman, have been evident for many years. They were pointed up in 1960 in the decisions in the Canadian Breweries case and in the British Columbia Sugar Refineries case in the same year. The staff recognizes this problem and the weakness in the law relating to mergers. Successive ministers of justice have said they recognize the problems, but in nearly six years no legislation has been brought forward to change the law. I should like to ask why this is so and to hear an explanation of what is being done in this regard.

I notice again at page 18 of the report of the Director of Investigation and Research for the year ended March 31, 1965, a quotation from the Restrictive Trade Practices Commission. They said:

> —It is our hope that in the near future the questions raised by these (Canadian Breweries and Western Sugar) decisions will be reviewed by appellate tribunals, more particularly by the Supreme Court of Canada, so that they may be definitely settled.

I should like to hear what is being done in the way of research or draft legislation to strengthen the merger provisions in our law.

The minister responsible for this branch—I believe it is the President of the Privy Council, who was formerly the Minister of Justice—has mentioned the difficulties of operating under the Criminal Code only. He has mentioned how difficult it is to prove conspiracy. He also referred to the fact that the department is exploring the possibility of non-criminal actions along the lines used by the federal trade commission in the United States.

• (8:00 p.m.)

That is all to the good. At some time, however, we should be told the results of these investigations. The minister has made statements about the need to change the law—the need to find other approaches. He did this in the course of a review of his department in the house on November 23, 1964 and in the speech he made at Montebello to the Association of Canadian General Counsel in October, 1964. At that time he said:

> I wish to pause here a second and note that one often feels uneasy at the thought that in Canada legislation dealing with combines or other types of restrictive trade practices has been found valid until now exclusively as being within the field of or in relation to criminal law which is one of the subject matters over which the parliament of Canada has legislative authority under section 92 of the British North America Act.
>
> It would seem that a new and hard look could be given at the present state of our legislation in this domain and that without repealing the present laws we may want seriously to inquire how far and to what extent additional provisions could be enacted under the federal jurisdiction to regulate trade and commerce.

That is an interesting approach. Those words were spoken some time ago, in October, 1964. I should like to hear what the studies made since that time have revealed as to the possibility of using the federal government's authority in the field of trade and commerce to regulate combines.

There is another aspect of combines which I have been raising in this house for nearly three years. I first called attention to this matter when the present government came to office in May, 1963 when Mr. Chevrier was Minister of Justice. I refer to the question of tied sales.

In 1956 an investigation was begun of what is generally known as tied sales—the practice of petroleum companies requiring service stations to buy tires, batteries and other accessories from designated suppliers. The oil companies then get kick-backs from these suppliers. An investigation was begun, I believe, in 1956. The Director of Investigations and Research reported to the Restrictive Trade Practices Commission in November, 1960 and a report was published in April of 1962. Note, that was six years after the first complaint was filed. Since May, 1963, ministers of justice have come and gone. My hon. friend from New Westminster and I have asked repeated questions about this subject and we are always informed that the matter is under consideration. One of the replies I received was on February 16, 1965 in answer to question No. 2,634. I asked these questions and I got the following answers:

> 1. Has the interdepartmental committee which has been investigating the report of the Restrictive Trade Practices Commission concerning the practice of tied sales imposed by oil companies on service stations completed its studies yet?
>
> Answer: Yes.
>
> 2. Has the committee presented recommendations to the minister of Justice?
>
> Answer: Yes.
>
> 3. When will the minister present legislation on this subject to the house?
>
> Answer: The Minister of Justice, in reply to questions in the house on October 29 and November 26, 1964, stated that he had placed certain recommendations before the cabinet and expected to be in a position in the near future to make known the policy of the government with respect to the recommendations contained in the report of the Restrictive Trade Practices Commission. Any decision in this respect will be made known in due course in the proper way.

I suggest to you, Mr. Chairman that "due course" has run its course. It is now ten years since this investigation began. I think we should have either a decision or an explanation why a decision has not been forthcoming.

I should like to mention in passing another continuing problem in the combines field. Every year we have passed legislation to exempt the British Columbia fishing industry from the scope of the Combines Investigation Act. Could we not have a progress report on this subject suggesting what kind of permanent arrangement could be made so that a threat is not held over the fishing industry each year?

There is one other item I should like to mention. As one who comes from the lower mainland of British Columbia I will be glad to support the bill introduced by the hon. member for Vancouver-Burrard seeking to bring professional sport within the scope of the Combines Investigation Act. I am sure this proposal will find a great deal of support in British Columbia and perhaps in other parts of Canada.

Ever since the present government took office we have been promised changes in the combines legislation. Looking over my files

and clippings I see this sort of thing—a newspaper heading in the Vancouver *Sun* for December 16, 1963: "Tougher Combines Measures Promised". The first paragraph of the report says:

> Justice Minister Lionel Chevrier has promised to consider putting "teeth" into federal anti-combines legislation to strike at companies guilty of collusion, mergers or monopolies.

I notice a heading on the article reporting the minister's speech at Montebello—"Favreau Favours Law Change on Mergers". Then in November, 1964, the heading on a Canadian Press dispatch reads "Seek Changes in Combines Legislation". So we have all the evidence that this question has been under study—that the ministers understand the problem very well. But there has been no action. There may be a reason for this inaction, but I think that somewhere along the line there should be an explanation.

It must be admitted that the Combines Investigation Act has not served us very well. It is not preventing mergers from taking place; it is not preventing mergers which lead to monopoly situations. A number of people say from time to time: "There is no reason for bigness. Bigness is not synonymous with badness. You should not keep talking about this question of monopolies." It may be true that bigness is not synonymous with badness, but bigness in the sence of monopoly control—and there is a great deal of this in Canada—does mean that a company or a few companies are in complete command of the price mechanism of an industry. In western Canada, for example, there is only one sugar company for the four western provinces from Manitoba to British Columbia. It is true the government did try a case on this but, as I mentioned, it failed because of the weakness of the merger sections of the act.

This is the situation which faces us. We find individual companies controlling the market. This can happen quite apart from the combines law. They can achieve this position without infringing any laws.

• (8:10 p.m.)

I suggest this is a problem we shall have to face up to because there is no public accountability by these companies. There are, however, several answers to this. One is public ownership, of which we have a great deal in Canada. The other is the method of the public utilities commission before which companies have to prove their case before price increases can be sanctioned.

But I suggest that the position of some of these companies is so powerful, and the effect they have on the economy is so great, that we need some type of public accountability which does not exist at the present time. I do not care whether it is a company which rules over the sugar market or has effective control of the steel market, the day will have to come when it will be accountable to a public body. There is not much use in having a body such as the Economic Council of Canada making recommendations concerning growth and price stability if companies, such as in the case of the steel companies last spring, pay no attention to the recommendations of that body.

I am only going to deal with this one aspect of the justice estimates, and to sum up I wish to say there have been no changes in combine laws since the government took office in April, 1963. These laws have apparently received a great deal of study because they have become deficient, and the public at large do not know how companies arrive at their decisions concerning prices. I hope very much that a responsible minister will answer some of these questions about combines legislation and the administration of combines law in Canada.

Mr. Cashin: Mr. Chairman, I rise, briefly I hope, to deal with one matter, namely the Spencer case. I have read the remarks made by certain opposition spokesmen, and I have listened in particular to those of the right hon. Leader of the Opposition. I suggest that there is something of a hollow ring to these remarks because a study of this kind of situation over the past several years indicates no evidence that the present official opposition would have dealt with the matter differently had they been in office today. Substantially, the Spencer case has been handled in much the same way as were similar cases of this nature subsequent to world war II.

Indeed, if there have been any improvements in the handling of some of these cases it is because of a procedure announced in the House of Commons by the Prime Minister on October 25, 1963. On that day he publicly announced a change in policy adopted by the administration to cope with these security matters. This improvement was welcomed by the spokesmen for all opposition parties as a step forward and an improvement in the situation. But today we find the official opposition, particularly the right hon. Leader of the Opposition and some of his more vocal

cohorts, disagreeing with this procedure, when in fact it goes further in protecting rights than the procedure followed by the previous administration. In fact, the particular section of the act that is causing trouble, section 50, was, as we know, introduced by the previous administration.

Mr. Orlikow: But that procedure was not followed in this case.

Mr. Cashin: I might say, making passing reference to the debate which took place at that time—and the hon. member for Winnipeg North might care to note this—that the only objection came from the Liberal member for Hull when discussing section 50. These were some of the remarks of the hon. member for Carleton on that subject, and I quote from page 8576 of *Hansard* for the 1960-61 session, volume 8:

I think it is significant that the maintenance in this bill of this particular subclause which the hon. member—

That is, the hon. member for Hull.

—seeks to delete was approved by all three members of the Civil Service Commission who appeared before the special committee as witnesses. It is also significant that no representations of any kind were made in relation to it by any of the civil service staff associations. I think the hon. member is well aware of how carefully in clause 60 new provisions have been set forth dealing with dismissals and the right of appeal. This particular provision merely preserves the over-all prerogative of the Crown, one which I am sure will not at any time be abused. In view of this I shall ask the committee to reject the amendment.

And it was rejected.

No member of the N.D.P. party spoke on that occasion.

In the debate on October 25, 1963, to which I have made reference, the Leader of the Opposition said, and I quote, from page 4049 of *Hansard*:

When the Minister of Justice says this just began with this administration, he forgets we worked on it for several years. We endeavoured to bring about a system which primarily would preserve to the highest degree possible the safety and security of the state while maintaining the rights of the individual.

In actual fact, while I do not doubt that the right hon. gentleman was concerned about this matter when he was Prime Minister, this procedure consisting of a board of review was given official sanction by the present Prime Minister in the Liberal administration.

At the present time the Leader of the Opposition is asking the government to make

further changes in the procedures which govern security matters. In fact he is asking for changes which go beyond the procedure that was in vogue when he was prime minister. It would be difficult to convince me, at any rate, that there are a great many members in the Conservative party who do not actually approve of the procedure followed by the present administration in the Spencer case. It is substantially the same procedure that would have been followed by the previous administration, except perhaps for those changes introduced in 1963. In fact, I would like to quote further from the Leader of the Opposition as recorded at page 4050 of *Hansard* for October 25, 1963:

I feel, too, that in the measures announced the individual will have an opportunity of making known his defence. This step is taken officially that previously was followed unofficially. The individual has had that right, not in consequence of a declaration made in the House of Commons but as a result of its being a rule of practice, without which freedom might very well be denied to an individual. The review of the evidence by a separate body—

I should say within the civil service.

—with the individual having the right to give his side of the case, should go a long way to avoiding and preventing injustice. The setting up of a board of review taken from the membership of the security panel—as I understand the Prime Minister's statement—is a step forward;—

In all fairness to the Leader of the Opposition I must point out that at that time he also said:

—but I do not think it goes as far as it should:

And he advocated the setting up of a board of review presided over by a judge of the Supreme Court of Canada, which is substantially the position he has taken in this debate.

However, I would like to remind the committee that during the five years the Leader of the Opposition was prime minister he did not do that and, in fact, he did not even give official sanction to the setting up of a board of review. This is yet another example of the Leader of the Opposition in effect saying what he would have done if he had his time over again, and had thought of it in time. I suggest to the committee that in actual fact there is no real difference between the attitude of the Conservative party and the attitude of the Liberal party in the handling of these security cases.

Mr. Knowles: This is the trouble.

Mr. Cashin: I am getting to that. This is substantiated by a review of the debates on this matter and also by the way these cases have been handled over the years.

At the present time the Leader of the Opposition is trying to make this a political and partisan issue. In other words, the Canadian public is being asked to believe that in this matter of civil liberties there is an official Liberal party view and an official Conservative party view. It seems more proper to say that there is an official government view, and a view that does not substantially change whether there is a Liberal or a Conservative administration in office. In fact, with one or two exceptions, I have not been very much impressed by the arguments brought forth by official opposition spokesmen on this matter, because I think basically the difficulties involved in this kind of case are well known to them, and when they were in office they had no choice but to act in the same way. Perhaps they may have been worried about such things, as anybody in a democracy is, because this is the kind of thing which is very difficult to handle in a democracy; and it is interesting to note that a former Conservative minister of justice to date has not commented on all of this.

As I have said, Mr. Chairman, I am sure there are hon. members in all parties who share my concern about the general principle of doing things in this way, and I do not think that this is, therefore, in the ordinary sense a party view. The matter of civil liberties, it seems to me, must be determined by the individual himself, by his own conscience, his own philosophy and his own concepts of justice. It is totally unrealistic—and this is one of the weakenesses of the parliamentary system—to say that 131 Liberals on one given subject have one view and 27 Conservatives share the opposite view.

• (8:20 p.m.)

It seems to me, I think, to undermine the credibility of the institution itself and that we could discuss these matters with more regard to the fundamentals involved rather than with a regard to party position. This is a fundamental matter which goes to the roots of democracy and is much too vital to the well-being of the nation to be reduced to political expediency. I think this is an example of the weakness of our position. In this particular case I think the Prime Minister and the government have acted in good faith and that in the administration of justice today, so far as civil liberties are concerned, they are consistent with the Canadian way of doing these things.

I do question the fact that Mr. Spencer was unfairly treated. I accept therefore the words of the Solicitor General, the Minister of Justice and the Prime Minister, these men whose sense of fairness and justice is beyond question. I know that all of them, and anybody in any administration which has to deal with this kind of problem, must go through difficult moments. What in fact I disagree with is the Canadian way of handling these security cases. I have read very closely the words spoken in the house on October 25, 1963 by the Prime Minister.

Mr. Orlikow: Mr. Chairman—

Mr. Cashin: The hon. member for Winnipeg North had his chance to make a speech. I agree with the sentiment he expressed that he probably never would be a privy councillor; that was one of the most magnanimous statements I have heard in this House of Commons.

As I indicated at the beginning of these remarks the views of the Prime Minister represent a step forward.

Mr. Knowles: Mr. Chairman, would the hon. member permit a question. Is he referring to the speech of the Prime Minister of October 25, 1963, when he promised that in cases such as this an employee would be given a full opportunity to resolve any doubt and also that there would be a second look taken by a separate body before dismissal was finally decided upon. Is that the speech to which the hon. member is referring? I hope his nod can be recorded on *Hansard* as a yes. If so, does he think that the conditions laid down by the Prime Minister have been met in the Spencer case?

Mr. Cashin: So far as I know I think they have been.

Mr. Knowles: Mr. Chairman, may I ask another question. Would he tell us when the second look was taken at this case, by whom, and what was the separate body that took that look at it.

Mr. Cashin: The separate body to which the Prime Minister referred was a body within the administration itself. The point I have in mind is that in the future we should have a separate body which involves at least one judge outside the administration itself.

Some hon. Members: Hear, hear.

Mr. Woolliams: That is our point.

Mr. Cashin: If the hon. gentleman would bear with me I think perhaps he might grasp the logic—if three is some, and I hope there is—behind what I say.

Mr. MacInnis (Cape Breton South): You had better stick to your notes.

Mr. Cashin: I see that the hon. member for Cape Breton South has made one of his highly irrelevant interruptions, and I would like to see it attributed to him, because I do not think anyone else would make a remark of equal inconsequence.

It has been impressed upon all of us, Mr. Chairman, how important secrecy is in all of these matters. I think the need for secrecy is apparent. I noted the words of the hon. member for Leeds when he said to the hon. member for York South that he did not know the facts and was never likely to know them. I think the main thing we must be sure of in all these cases is not only that justice is done but that it appears to be done.

I know—and I think before I go any further I should say this lest my remarks be misunderstood—that the remarks of the Prime Minister and the Minister of Justice concerning this particular case in question, the Spencer case, have received a lot of publicity. This has involved the ministers concerned and the Prime Minister taking a much closer look at this matter than might otherwise have been the case, and I am quite satisfied with the way this particular matter has been dealt with.

An hon. Member: It is of little comfort to us.

Mr. Cashin: The difficulty I think is that this is not a practical or desirable procedure to be carried on ad infinitum in the future as it has been carried on publicly in the past in this country. I am sure that the members of the opposition will agree with me when I say this procedure here is substantially the Canadian way of dealing with it; the same way basically that security matters were dealt with by Conservative and Liberal administrations. I think it is difficult to reconcile the nation's interests with the rights of the individual.

The point I am making is that now we have before us a discussion on this highly delicate but important matter, and surely it is time for those of us who have a very high regard for civil liberties—and this is something every Liberal feels at least equally—to discuss this, not in the light of the handling of the present case so that hon. gentlemen opposite may play politics with the civil liberties of a few people, but rather I think it is important that we consider that while in this particular case this may have been the only procedure we could have followed —perhaps that is not so, but it is the procedure which has been followed—I think what we must be concerned about now is to evolve a better procedure for the future; not for the man who will be known publicly as Spencer but for the anonymous Spencers whom we will not hear of in the years to come. These are the people who give concern to me and I am sure to all of us.

Mr. Lewis: Would the hon. gentleman permit a question? I ask this in all seriousness. Would he explain why his excellent suggestion in respect of what should happen in such cases should not be applied, to satisfy him and others that justice has been done, in the Spencer case; why not?

An hon. Member: Because the Prime Minister said no.

Mr. Cashin: I think the only thing that it would satisfy at the present time is perhaps a political motive. However, to answer that question, I would say that this is the procedure we followed for 20 years; but now in this particular case we have had a lot of public discussion about it and I am prepared to accept this on faith.

Mr. Orlikow: Mr. Chairman, may I—

Mr. Cashin: The member for Winnipeg North is so concerned about history that he is trying to make an attempt to get in the history books. In any event I do think that in the present case it has received the attention of the administration. What satisfies me and perhaps indeed all of the people is that although in the 20 years of experience we have had in these cases, even when the Leader of the Opposition was in office, there was little change, at least the Prime Minister's statement in this instance did result in an improvement in the situation.

What worries me is that in respect of situations that might arise in the future we might not have people with the same kind of attitudes that we have now in this House of Commons. There is a principle involved which may work in individual cases because of the calibre of the people in the administration dealing with it, but I do not feel this is something which ought to go unchanged. It

seems to me this is a good opportunity now, when there is such a great deal of attention being paid to civil liberties, to talk about it.

• (8:30 p.m.)

As hon. gentlemen are quite aware the hon. member for Burnaby-Richmond just gave a speech on a matter which concerned him. I think he was complaining that this matter had not received attention in a long time. Perhaps if there was a great controversy or public discussion about something that was bothering him, that would be a good time for him to make some speech about the direction in which the government must go in dealing with these matters. That is why I felt I ought to make these few comments about civil liberties. This is a matter that is of great importance to me as I am sure it is to all members of the house. I have now sort of—

An hon. Member: Run out.

Mr. Cashin: If the hon. member for Winnipeg North Centre has a question perhaps he can go ahead and ask it now.

Mr. Knowles: Mr. Chairman, there is a question I should like to ask the hon. member for St. John's West. When he was answering the hon. member for York South as to why the excellent principle he has enunciated should not be applied in this case, did I understand him correctly to say that the reason for not doing so now was that it would seem to be satisfying a political motive? At that point he gestured in the direction of the official opposition. Did he in fact say that the reason for not applying this excellent principle is that it would seem to be giving in to a demand from the opposition parties of this house? Is that the reason Mr. Spencer is to be denied the second look which the Prime Minister promised?

Mr. Cashin: Mr. Chairman, my answer is categorically no. I do not believe in changing a system to deal with one particular case. I am concerned primarily about the system which has been in effect for 20 years in this country. I do not suppose for one moment that I am now going to make a speech which will change that system here and now, making it retroactive. I am concerned with the situation 10 or 15 years from now and that which is involved in our approach. This sort of thing presents very difficult problems in a democracy.

It may well be, and I am prepared to admit this, Mr. Chairman, that the solution I have put forward, or attempted to put forward, is not the most practical. There may even be cases similar to this under the change I have proposed. I do not know that, but perhaps there are other members who could really answer that question better than I,—and they may be some of the members on the front benches over here or on the other side who have dealt with these things before. Perhaps they are more aware of the difficulties involved, but it seemed to me from a distance that it would be good to make a few comments in this regard.

I might also say, because I am one who speaks at this time from the back rows, that some of the real importance in a long term sense of civil liberties has been overlooked in this debate, which is strictly and purely one to satisfy political motivations. I am not strongly questioning the members of the New Democratic party, because I do not know how they would have acted had they been in office.

Mr. Grafftey: I wonder how this speech is going to look in *Hansard*?

Mr. Cashin: I can only assume that if they had been in office they would have carried out what they have said, in which case they probably would have acted differently from the Liberals or Conservatives. However, the point I really want to make is that in the past there has been no substantial difference between the attitudes of the two parties, and for the right hon. gentleman to suggest otherwise, that he would have dealt with this differently, is unrealistic.

Mr. Fairweather: Mr. Chairman, I have a question for the hon. member if he does not mind another interruption.

Mr. Cashin: I do not mind.

Mr. Fairweather: By this very moving account of the hon. member's belief in civil liberty, does he suggest there has been any equivalent experience in Canadian history where a minister of the Crown—the minister of justice for Canada—has gone on a national television program and stigmatized a citizen in an announcement such as that made by the present Minister of Justice? If so, what would my hon. friend do about this situation in the future?

Mr. Cashin: I do not accept the hon. member's premise. I saw a newspaper account, I believe in the *Globe and Mail* of November 4,

regarding this subject. I believe the television interview to which the hon. member for Royal makes reference took place in the latter part of November. Therefore I cannot accept once again the comments of the hon. member for York South. I can only assume that he was misinformed when he cited to this house that the Minister of Justice first mentioned this man's name on television, even before newspaper reports. That is not the case. In view of that I think they have not given the full facts of the matter.

An hon. Member: Do not answer the question.

Mr. Cashin: Mr. Chairman, I have strayed from the subject as a result of questions asked by hon. members from different parts of the house. However, as was pointed out very ably today by the Leader of the Opposition, I am young and lack a considerable amount of experience. Perhaps I cannot field this kind of questioning as ably as others, but I know that the house will bear with me and have some sympathy for me in this matter until I find myself in a better position.

An hon. Member: You have dropped them all; you have not even got one.

Mr. Cashin: My suggestion, which I should like to see carried out in future cases of this kind, is that there should be more study given to these questions by the government, and a better approach taken to them, which could perhaps involve a judge of the Supreme Court of Canada or the Exchequer Court of Canada, or perhaps a judge of a provincial supreme court who has experience in government administration. Members of the opposition might suggest that this would be distinguishing between one judge and another.

Mr. Woolliams: I think that it would be.

Mr. Cashin: We now hear from the hon. member for Bow River, that great legal authority who has supplanted the hon. member for Kamloops and the hon. member for Yukon, who are neck and neck in the battle for the booby prize, as the chief spokesman. I admire the styles of both these hon. gentlemen very much, although I think they have nevertheless—and this may be some source of regret to their master—fallen into insignificance in comparison with the masterful performer who has just intervened. As a young member of Parliament I might say that it is a great tragedy to me to know that at least in a mathematical sense I will perhaps be a member here in this house at some future date to see, sitting right opposite where the right hon. gentleman sits, some of those members like the hon. member for Yukon and the hon. member for Bow River. At that time I will be happily able to look back over the years and think of the time when they had a really masterful and skilled politician at the helm.

An hon. Member: He is getting into high gear now.

Mr. Cashin: It has been a real pleasure to have been here for the past couple of years to witness that really masterful politician and his performance, and I am glad to have had the opportunity of questioning that master once in a while, particularly when his speech has not been up to par, so as to give him an opportunity to show his wit to a greater extent to further entertain the house. As a young member of parliament I do not regret one little bit being the straight-man for such a tremendous performer as the Leader of the Opposition.

Mr. Knowles: How could a Grit be straight?

Mr. Cashin: Now, gentleman, I shall return to this matter of civil liberty. It seems to me that the kind of thing we should consider in future cases of this kind is the kind of in camera hearing that people want today, presided over by either a judge of the Supreme Court of Canada or a provincial justice who has had experience in government administration. Perhaps such a judge with this sort of qualification is the present chief justice of Nova Scotia. Perhaps that kind of a judge with particular experience in this kind of matter could be helpful in dealing with problems in this very difficult area.

There has been a lot of discussion to the effect that such an inquiry should take place in respect of the present case. As I said earlier, I am satisfied that this is not necessary in the present case. I am also prepared to admit that the procedure followed for some 20 years is perhaps not the right procedure. I am quite sure that the hon. member for York South, knowing of his record and having heard speeches he has made, does not agree with me. I am sure that he does not agree with the procedures that have been followed over the past 20 years; but he does not agree with much of anything. He just

thinks this is a very bad situation. My point to him is that this procedure has been followed for 20 years. I do have some questions in my mind about it, but—

Mr. Orlikow: The procedures will be followed for another 20 years if it is left up to you.

Mr. Cashin: That is another interruption which will be recorded in the annals of the House of Commons history when the history of the sixties is written, as suggested by a member earlier tonight.

The point is that neither the hon. member for Winnipeg North, nor any of his party, is ever likely to be in a position to make this kind of decision. I think it is important that the two parties over there, who are apt to have a chance to make these decisions, however small it may be, should consider these matters. I believe there should be more public debate on matters of this kind.

One of the things that has always disturbed me, as well as many other Canadians, is the fact that there is a lack of real, open, public discussion on matters of this kind. We have had a great many situations in Canada which have been considered and discussed in secret. I think that points to the monolithic decisions we have seen from time to time which hamper the kind of public discussion on issues which could make our institution of parliament more credible to the public. No wonder the United States citizens can get so excited that it may seem irrational to us from time to time. In their system they can see the Senate on television debating publicly a matter such as the Viet Nam situation. We in this country do not have that kind of public debate or public expression not only on this subject but on a wide variety of subjects.

• (8:40 p.m.)

I certainly do not want to suggest that my rather insignificant interruption in the debate tonight—

Some hon. Members: Hear, hear.

Mr. Cashin: —is going to do very much to further that proposition but I do think there should be more of it.

Mr. Knowles: You should be on television.

Mr. Cashin: I might say to the hon. member for Winnipeg North Centre—I think it was he who made a crack about television—that if I were he I would stay away from the camera altogether.

There are a number of other comments I should like to have made. I did not realize that members of the opposition would find my remarks so stimulating and refreshing that they would keep interrupting me at such great length. I hope that perhaps in a year's time, if we are all still here, when the estimates of the Department of Justice come before us we may have an opportunity again to discuss this matter and perhaps find the government in the position to advise us on the kind of policy to be adopted in future cases, a policy that would be more consistent with that which many of us would like to see adopted.

Mr. Brewin: Mr. Chairman, could I ask the hon. member a question?

Mr. Cashin: Yes.

Mr. Brewin: I was very much impressed with the hon. member's tribute to the concern of himself for the other members of his party in regard to liberties in the future. Can the hon. member explain why he does not think these principles should be applied in the present case? Is this not like the expression, all is jam tomorrow but never jam today?

Mr. Cashin: I do not agree, Mr. Chairman. It seems to me the answer is that we do not change the procedure in the middle of a case. This procedure has been adopted for 20 years. This case has won a great deal of publicity; therefore the Minister of Justice, presumably the Solicitor General, and the Prime Minister have had an opportunity to look at this matter in more detail than ordinarily might be the case. I accept their judgment, as I might well have accepted the words of the right hon. Leader of the Opposition were he in the same position.

The point is this. I do not think it is acceptable as a general rule to have this kind of procedure over a long term. We have followed this procedure for 20 years; I would like to see it changed. I do not see the need to change it in the Spencer case but I should like to see it changed at the earliest possible date.

The Deputy Chairman: The hon. member for Bow River.

Mr. Knowles: Two of a kind.

Mr. Woolliams: Mr. Chairman, somebody said, "Two of a kind" but I have always

known that other members have been a little jealous of those redheads. However, I must congratulate the hon. member for St. John's West upon his speech and I hope the Liberal party will call a caucus tomorrow. They surely do not have to wait until Wednesday, because the member who has just spoken seemed to answer a number of questions very honestly. He said he thought a judge of the Supreme Court of Canada, or a trial judge of a high court should review a matter such as this. The hon. member said he did not think the holding of an inquiry should apply to Spencer, the reason being that it might be interpreted as having a political motive.

I think that was the whole crux of his argument, namely that such action might be interpreted as having a political motive. I believe if there are any political motives attached to this question they are held by the Liberal party because, as I said on Wednesday last and I repeat it now, the government has something to cover up; it has swept the matter under the carpet; it does not want to bring this question out into the open. That is exactly what the hon. member for St. John's West tried to say tonight, but he did not want to go too far in speaking of his own party.

We listened with great interest to the minister. I make a special appeal to him because as I understand it from reading something about the minister's background—and I think he will like what I am about to say—he comes from a very traditional and great family in his own province and in this nation. He is a lawyer; he has some great traditions arising out of his family's background and is able to appreciate the legal principles involved in this case, namely those which are wrapped up in the rights of the individual in respect of civil liberties.

I hope that with those traditions behind him, and as a new Minister of Justice who came in with a new brush, he will not be just a pawn in the hands of the Prime Minister. I hope that because the Prime Minister says "We do not want an investigation in this case" the Minister of Justice has not become a pawn and just says "We must not have an investigation in this case".

When you analyse the arguments put forward this afternoon by the Minister of Justice, and his reasons for not having an inquiry held in this matter, you find them very weak. I find them very political. I find that all the reasons he put forward this afternoon make a mockery of justice. If he is, as I suggest he is, steeped in the great legal traditions of a great family background, let him now measure up to those traditions and the responsibility of the portfolio he holds, one of the main portfolios in government. Let him measure up to those responsibilities and give this man his day in court. Let the minister hold an inquiry into this case, as was suggested by the hon. member for St. John's West.

Let us compare this case with similar cases in the past. Hon members opposite keep saying that this case is on all fours with cases of espionage that occurred when the Conservatives were in office or when the Liberals were formerly in office. The hon. member for St. John's West referred to this type of justice, as I understood it, being the Canadian way—not the Conservative way, the Liberal way or the New Democratic party way. There is a difference between this case and others in the past. The minister this afternoon said no, there was not; but he might reconsider his position when he sees the fine distinction that can be drawn between this case and others.

What is that fine distinction? Several other hon. members raised the matter by their questions of the previous speaker. The distinction is that no one has ever been named in this manner before. I am not concerned tonight with the narrow, political side of the question and whether the minister named this man or somebody else did it. I am concerned with the fact that he has been named and the minister named him over the national television network. Therein lies the difference.

Hon. members opposite have said that you cannot have that kind of inquiry in this kind of case because you cannot have a proper investigation of the facts if they are made public. Let us compare this case with the ordinary case where there is a reasonable belief that someone is guilty of a crime under the Criminal Code and the police go out, make an investigation, interrogate the accused and ascertain certain facts. In this case the facts were referred to the legal officers of the Department of Justice. The Minister of Justice seems to want to hide behind this fact, because he says the law officers of the crown said there was not enough evidence to warrant a prosecution. It is true enough that if the Attorney General or the Minister of Justice, as the case may be, is advised that in an ordinary case—I am dealing with the ordinary case at the moment—there is not enough

evidence to substantiate a charge being laid, normally a charge is not laid.

However, Mr. Chairman, I ask the minister this question. The person being investigated by the authorities is known, but as soon as the legal officers have advised the minister, who has determined that a charge shall not be laid, the surveillance ends and the man is as free as any Canadian in this chamber; he may enjoy that freedom and liberty of the subject that is spelled out in our civil rights.

In an espionage case the individual is not normally named. Therein lies the difference. In this case the individual is known, he has been named; and because he has been named we ask, not that there be held an inquiry wherein all the facts would be made public and the security of the state might be threatened, but that the inquiry be held in camera. Nobody on this side of the chamber has gone as far as asking that this matter be inquired into in open court. The hon. member for St. John's West has said that this procedure should be adopted in the future, but not in this case because it would be giving in to the Conservatives. If it is giving in to the Conservatives it is because we stand for the protection of the civil rights of the individual. I believe that any fair, good-minded Liberal would be prepared to agree with this.

• (8:50 p.m.)

The difference between this case and another kind of spy case is, and I repeat it, that the individual in the other kind of case is not named. This is a different type of thing. Here, this person is named. They say he has had a hearing. I listened very carefully to what the Prime Minister said, and when I reread his words I find he said this man had been treated justly. Before I mention that, I want to say it is not only the individual Spencer with whom we are dealing. We are dealing with the civil rights of all Canadians. If it is right to debate this case tonight, it is right because we are dealing with the future justice, the future civil rights of all Canadians.

Now, the Prime Minister said this man was treated justly. As one hon. member pointed out, and it bears repeating, what kind of trial did this man have? He was tried by the Prime Minister; he was tried by the Minister of Justice; he was tried by the legal officers of the Prime Minister and the Minister of Justice. These people do not form an independent judiciary. They represent a political machine and they say: We are not going to give Spencer a fair trial, a fair hearing. What have you got to hide? What harm can come if he is given a hearing in camera? Therein, I say, lies the difference.

I am going to repeat what I said earlier, that I hoped this Minister of Justice, steeped in the traditions I mentioned at the outset, would be the kind of man who would say: I am going to stand on these principles; I am a member of the bar and I took a certain oath as a member of the bar and as a member of parliament. I hoped he would say: Since I took those oaths, since I am steeped in those principles, I am going to say to my Prime Minister that either this man gets fair treatment, the kind of treatment every Canadian expects, or I am going to resign my portfolio. I am not asking for your resignation, but I am saying this: Do not be a pawn in the hands of the Prime Minister. After listening to the minister this afternoon, sir, that is what he appeared to be.

Now, what did the minister say this afternoon? He said it seemed to be standard practice or a standard rule of law that where somebody was a squealer—I could tell you a story about that but I will not—then he is not charged, he does not have any punishment. I have never heard of a rule of law like that. I have heard of a case where a man is involved in a certain conspiracy, where people are conspiring to commit a crime, and gives information about the crime. However, this does not mean that a police officer says to him: Sure, as a Canadian, because you are a squealer, you are not going to be charged. This has never been a principle of law.

The principle of law is this: A man may stand charged, and even if there is a voluntary statement given to a police officer, then the proper rule of law is that the statement is admitted as evidence and may be used against that person at his trial. When it comes to punishment, then you decide on what kind of punishment to mete out to such a person, and mitigation is the letter of the law. If you say it is a standard principle of law in Canada that a squealer is not charged, then I am sure you are carrying the rule of law in a different direction than the one inculcated into the Minister of Justice when he graduated from law school and when he was steeped in the principles of a legal family.

The point I want to mention is that when the minister was asked a question he said he

knew from facts that this man had done things or had said things—I think "done" was the word but I do not have an exact note of what was said—and was a danger to the state. The minister said that as this man was a danger to the state it was necessary to have him under some kind of surveillance. If this man has done things which have threatened the security of Canada, then I do not care what the legal officers have told the minister, he must take the responsibility. After all, his advisers are only his advisers. The minister has the last say and if he knows this man has done something to make him a danger to the security of Canada, then I say to the minister he appears to be guilty of an offence. Let that offence be charged. Is there any great harm in a man's being acquitted of some crime with which he is charged? I believe that tonight every Canadian would rather be charged with an offence, tried and acquitted than be like Spencer who has to go through the rest of his life under surveillance.

I hope that before the sitting concludes tonight the minister will say how long this man will be under surveillance. Will it be 20 years, 30 years? I want to hear him say it. I say to him, as I said at the beginning, that his argument was weak. It was a political argument, an argument he put forward as a pawn of the Prime Minister to cover up a decision that was made by the Prime Minister some time ago. Maybe the minister could tell us tonight when that decision was made. Was it made in May at the time the Dorion report was coming out? Why was it made at such an opportune time, if it was made at that time? Was it used as a smokescreen to cover something they wanted the public to forget? I ask this question because at that time we heard in the corridors the Prime Minister was going to dissolve parliament and hold an election. I think that great columnist Douglas Fisher was writing about an election at that time and he named the date several months ahead of time. He did not get the information as a result of a cabinet leak; he knew what was going to happen.

I say it was a very weak argument. The Prime Minister was guilty of tergiversation. He tergiversated in offering explanations about the holding of an inquiry, and I say that you are turning your back on the principles that you hold so dear or you should hold so dear. In my opinion this seems to be the very crux of the matter. We may say that this debate has gone on a long time. It is interesting to note, and I am going to direct your attention to it, Mr. Chairman, that not only have we spoken on this matter but there has been an equal number of speakers from the government side. This indicates the government is concerned. The hon. member for St. John's West has been thrown into the debate, and he is quite an able debater. It was hoped he would throw up another smokescreen, but the trouble was he went along with the Tories and let down the Grits. Nevertheless he was thrown into the debate. If the government wants to get these estimates through, and I am certainly one of those who would like to get them through and get on with the legislative program, then why does the Minister of Justice not say: Let us have an inquiry. Let us give this man a hearing, and let us give him the kind of hearing the Prime Minister said should be established under the new procedure to which the hon. member for St. John's West referred.

If that was to be the new procedure, why was it not adopted in this case? Why was a different procedure followed in contradiction of the policy outlined by the Prime Minister? These are questions I should like answered. I think the minister should answer all of these questions. I am going to repeat them. How long will this man be under surveillance? When did the minister first decide not to give him an inquiry? When was that decision made? Was it made on the spur of the moment in the house when he was asked questions on orders of the day or was careful consideration given to it by the cabinet? The Prime Minister said this man had been treated justly. Even if he has been fired from his job, even if he has lost his salary, even if he has lost his pension, the Prime Minister says it is just for him not to be given an inquiry.

I should have liked to hear some of the members of the Liberal party had they been sitting on this side of the house and we over there, if we had treated Spencer in the same manner. They would have rattled the benches; they would have rattled the electronic appliances. They would have said to us that we were nothing but dictators. I recall the Coyne affair, a man who increased his own pension. Today the minister said you only hold a job in the civil service at the will of the people.

Mr. Cashin: Will the hon. member answer a question?

Mr. Woolliams: I will answer a question when I am finished, and I am just about finished.

An hon. Member: Tory arrogance.

• (9:00 p.m.)

Mr. Woolliams: If that is arrogance, then I have a lot of friends with me and they are not all sitting on this side. When did you decide not to give him an inquiry? When did you decide to release his name? Was that a plan of the government before the minister went on television, or was it a slip of the tongue on his part? When did the two Russians who were connected with the case come to Canada? Were they in Canada before the minister's party was asked to form the government of this country? Let us hear answers to those questions.

I have watched the minister weigh his words. I do not say this unkindly to him, but he reads his speech because he wants it to read well in *Hansard* and does not want any mistakes. When the minister went on television he was told to release that name. This was a plan conceived by the Liberal party, a plan of the Liberal government, and that is the reason it was done.

Mr. Sharp: Why?

Mr. Woolliams: I will tell you why. You covered up the terms and conditions of the Dorion report, and swept it under the rug so that you would win the last election. I was asked for the reason and that is it.

Mr. Roxburgh: We do not take you too seriously.

Mr. Sharp: Just another fairy story.

Mr. Woolliams: The Minister of Trade and Commerce says that is another fairy story. I heard him admit on the radio that the Conservative party was right; and I use that in answer to him.

Mr. Winters: Mr. Chairman, on a question of privilege, I did not say a word.

Mr. Woolliams: It was the Minister of Finance. I forgot there had been a substitution. It happens so often that it is hard to keep track. The Minister of Finance said that the Tory party was right, that the government or Canada could have sold far more grain, but that transportation under the Liberals broke down, and the western farmer has to pay the price. He has already made that admission on television.

Mr. Sharp: The railways lost confidence during the Conservative regime and they did not build the equipment.

Mr. Woolliams: I would have thought the Minister of Finance would be able to give a better retort than that. He said the railways broke down under the Conservative government. It seems to me that the C.P.R. run this government, but when we were the government we ran the country. That is the answer to that.

An hon. Member: Yes, ran it right into the ground.

The Deputy Chairman: Order, please. I think we have a very good railway system in Canada, but we should resume consideration of our system of justice.

Mr. Woolliams: I am sorry, Mr. Chairman, I got derailed. Anyhow, they are certainly railroading Mr. Spencer. That is the point I really had in mind, and I knew I would be able to draw an analogy there.

When the minister was answering questions this afternoon he said that only $3,000 or $4,000 was paid over to provide travel warrants from here to there so that the boys could get certain information. However, when the communiqué was released on May 9, 1965 it said thousands of dollars had been spent.

I think the minister should have told us how much money was paid to the other people connected with this matter, if there were others, and how much money was paid in total. If that information can be made available when he speaks I think he should give the full information. He would not have been embarrassed this afternoon to give any of these answers, had he done what the Prime Minister wanted to do but refused to do in the matter, namely hold an inquiry in camera in order to give this man a fair hearing.

Let me conclude on this note. We are not concerned tonight with this one man. It may be sad for Mr. Spencer; I do not know. I do not know whether he is guilty or innocent. But the fact is that every minister of justice, as I suppose do the courts, can refer back to precedents, and tonight we will be establishing a precedent. If this case should become a precedent for this House of Commons or for future governments, it means this, Mr. Chairman, that in future every man who becomes connected with a similar set of circumstances as Mr. Spencer, even though he discloses the facts to the proper legal

officers of the country, will then be put under surveillance for as long as he lives. He too may stand charged on the national television network of this country and have his name similarly disclosed. I suggest this would be a new form of trial by national television.

I listened to the hon. member for Royal who referred to a judgment which had been given. Sometimes when we get a little serious it often pays, as I said the other day, to get a little philosophical. The real question facing the western world today is the question of freedom. That is why we stand up against communism. We know they do not offer freedom to their citizens, and our ideas and ideals must be higher than theirs at all times if our way of life is going to survive.

Perhaps Byron made this point best in one of his sonnets, and I am going to close on these words:

> Eternal Spirit of the chainless Mind!
> Brightest in dungeons, Liberty, thou art,
> For there thy habitation is the heart—
> The heart which love of thee alone can bind;
> And when thy sons to fetters are consigned—
> To fetters, and the damp vault's dayless gloom—
> Their country conquers with their martyrdom,
> And Freedom's fame finds wings on every wind.
> Chillon! thy prison is a holy place,
> And thy sad floor an altar; for 'twas trod,
> Until his very steps have left a trace
> Worn, as if the cold pavement were a sod,
> By Bonnivard!—May none those marks efface!
> For they appeal from tyranny to God.

This, Mr. Chairman, is what Spencer is doing. He is appealing tonight, not to God, but to the Minister of Justice to give him a break so that every future Canadian will have the same break.

Mr. Cardin: Mr. Chairman, the speech which we have just heard from the hon. member for Bow River has been, to me, a very moving one. I am grateful to him for his very flattering remarks in connection with my coming from a legal family. I cannot claim this honour to that exent.

I should also like to make it quite clear here and now that it was I who suggested to the Prime Minister that a judicial inquiry into this matter was neither necessary nor warranted, nor was it justified.

It has been suggested to me both by the hon. member for Bow River and by the hon. member for Royal that I could make a hero of myself by asking the Prime Minister and my colleagues to set up an inquiry into this matter. It would be very nice indeed to become a hero, and I guess there is nobody in this house who would not want to be one. But in this particular instance all I want to do is my job, and I want to do it well.

It is true that as a member of this house and as Minister of Justice I have a responsibility, as have all hon. members, to protect the rights of individuals and their liberties. But as Attorney General I also have the right and the responsibility to protect the national security system of this country.

• (9:10 p.m.)

One of the strangest things about this debate is that not one person, not one hon. member, has asked to know exactly what damage has been done by Spencer in his connection with espionage activities.

Some hon. Members: Oh, oh.

Mr. Cardin: Everyone has spoken of civil rights. I agree with that. But it is also my responsibility as Attorney General to see that the security of the nation is guarded, and I intend to do this.

We have been speaking of justice, of principles, of righteousness. Well, there is a fundamental principle which applies in law, which applies in justice and which applies in parliament: That principle is the truth. I have been accused on I do not know how many occasions of having stigmatized Spencer on a television program. It has also been in all the newspapers. I have repeated on innumerable occasions that Spencer identified himself on the 4th, 5th and 6th of November and that I appeared on television on the 28th of November.

What is more, on that very program, "This Hour Has 7 Days", before I got on the air the reporter who had identified Spencer appeared and named Spencer about five minutes prior to my appearance. There is, as I say, this question of truth, and I did not see it being applied by hon. members opposite when they continued to insist that I had branded Spencer as a spy knowing full well, unless they do not read the newspapers, that he had identified himself at least three weeks previously. If hon. members opposite want to be righteous, I am all for it. At the same time, let them also be truthful.

[*Translation*]

Mr. Grégoire: Mr. Chairman, my remarks will be on another subject, but I should simply like to mention this before. As far as the Spencer case is concerned I have not yet been able to form an exact opinion about the

situation, although I have some questions which normally or naturally come to the mind of one who has not yet formed an opinion.

The first would be the following: Did any person, any individual, any member of the opposition or of the party in power ever express the desire to meet this Mr. Spencer personally? Did those who made pompous speeches a few moments ago in defence of Spencer's rights—I refer to the hon. members for Bow River (Mr. Woolliams) and Royal (Mr. Fairweather)—ever express the wish or tried to meet him, to have clear ideas about him? Were they prevented or forbidden to meet Spencer?

Is it true that the hon. member for Yukon (Mr. Nielsen), when he went to British Columbia, tried to question Spencer? Was he prevented from doing so? Was he able to meet him?

Mr. Chairman, in another of his questions, the right hon. Leader of the Opposition (Mr. Diefenbaker) stated that the treatment given Spencer violates his famous Canadian bill of rights.

Did anybody in opposition or the Leader of the Opposition himself put himself or offer to put himself at the disposal of Spencer to help him demand his rights, insist upon his rights, since such rights were recognized by Parliament?

To defend Spencer's rights. Did the right hon. Leader of the Opposition or the hon. members for Yukon, Bow River or Royal offer to take Spencer's case in their own hands to demand his rights before Parliament, under the Canadian bill of rights?

And if Spencer is not guilty, are there any lawyers within the Conservative party who offered to help him, legally speaking? If Spencer loses his pension rights and if he has a right to a pension, he therefore undergoes a damage which gives him recourse before civil courts.

Did the hon. member for Bow River, a brilliant lawyer, at least when there is no client, no accused and no accuser, at least in this House in short, when there are no cases entrusted to him, offer to take this case into his own hands and attempt to defend Spencer's rights to a pension before the courts?

Is there a lawyer within the Conservative party who offered his services to help Spencer?

Mr. Grafftey: Yes, here, in the parliament of Canada.

Mr. Grégoire: Mr. Chairman, should one of my rights be violated, I would at once bring the case before a Canadian court of law. I have enough trust in Canadian courts to know that if a Canadian is being denied his rights or privileges the courts of law will recognize the fact even against the government and the Minister of Justice.

The hon. member for Brome-Missisquoi (Mr. Grafftey) should know our justices and courts are impartial, that they follow long established procedures, and that we can trust our justice.

And yet where is the lawyer, if there be one, who is moved by Mr. Spencer's rights more than by vulgar demagogy? If there is one including the hon. member for York-South (Mr. Lewis) of the N.D.P., if there is one who is sincere about defending Mr. Spencer, why does he not rise and bring the courts of Canada to recognize Mr. Spencer's rights? What is keeping him from doing this? Nothing.

Mr. Lewis: The Supreme Court of Canada is here, this is the court of our land.

• (9:20 p.m.)

Mr. Grégoire: Mr. Chairman, we know that before going to the supreme court, you must start with the superior court, and the court of appeal; then you go to the supreme court. Everyone knows that prior to going before 265 judges in parliament, you go before a single judge of the superior court and before three judges of the court of appeal. But what are we looking for? What is being asked? An investigation? Justice, could be had before the Canadian courts.

Therefore, it is not for us to render justice but rather to see that justice is done in Canada. If an hon. member wants so badly to protect the rights of Mr. Spencer, he should get up and defend the rights of Mr. Spencer before the Canadian courts.

Moreover—and it is significant—how is it that that a former Minister of Justice in this house, who is aware of such cases of national security since some undoubtedly came up while he was in office, did not even deem it necessary to touch upon that subject when he took part in the debate on the estimates of the Department of Justice? How is it that he did not say a word about it? And yet, if there is in the Conservative party a member who

would be qualified in that field, because he has been faced with similar situations, it is the hon. member for Kamloops (Mr. Fulton), a former Minister of Justice.

Why did he not say a word about it, Mr. Chairman? I admit, at first sight, that something might look surprising in this whole story.

If such a thing were done to one of my electors in the riding of Lapointe, I can assure you that I would see to it that it did not happen again and I would take the matter to court, where justice could be done, and not before the group of demagogues we have been hearing in this house in the last few days. The first thing I would do, Mr. Chairman, would be to go and see him. I would ask him questions, at least to know what I am talking about, because those who did not even take the trouble of seeing Spencer, the first one concerned, whether they come from British Columbia or Ontario—and the hon. member for Yukon (Mr. Nielsen) was there three weeks ago—do not have a very serious case. Indeed, when one wants to talk about something, one must first get some information. I heard the Leader of the Opposition, after a pathetic plea, say "I rest", as if he were before the court. "I rest" but he has not even met, not even seen and not even heard the defendant. Mr. Chairman, can you imagine a lawyer who would come before the courts and who, using legal terms, would say "I rest", without having seen, heard or spoken to his client. If a lawyer behaved like that, he would soon lose all his cases and all his clients. That is why we must question the sincerity and honesty of those famous lawyers who, in the last four or five days, have attempted to defend a client without even trying to meet him, to see him or to question him.

I have three questions to put to the Minister of Justice. But he could possibly answer this one: If another member of the house wanted to question Mr. Spencer, would the R.C.M.P. prevent him from doing so?

Mr. Cardin: No, Mr. Chairman.

Some hon. Members: Hear, hear.

Mr. Grégoire: Well then, Mr. Chairman, since the hon. member for Yukon was in British Columbia three weeks ago, did he not try to meet him?

[Mr. Grégoire.]

Was he prevented from meeting him? The hon. member for Bow River (Mr. Woolliams) lives not far—

[*English*]

Mr. Nielsen: Too busy in Montreal.

[*Translation*]

Mr. Grégoire: Did the hon. member for Bow River who lives in a province not too remote from British Columbia try to meet him? The Minister of Justice stated that whoever wished to meet Mr. Spencer could do so.

If you want to defend a man, my friends, start by meeting your client and acquiring information, and then perhaps you will be less demagogic. Mr. Chairman, it is enough to make one question the sincerity and intellectual integrity of all these gentlemen who talk through their hat.

Mr. Chairman, my second question—my first one was answered rather promptly, I am glad to say—I asked this afternoon. I understand that perhaps the Minister of Justice does not wish to answer it; he may be right, but did not the same thing happen, did not similar events occur in the past, during the government of the present Leader of the Opposition, between 1957 and 1963? Did this happen before, were there similiar cases? Were today's puritans as puritan then?

When their party did it, did they show the same indignation? Has this ever happened?

Without mentioning particular cases or saying how many there were, without trying to identify anybody or anything, perhaps the minister could tell us whether that was done under the previous regime? The Minister of Justice could probably tell us that.

Third, Mr. Chairman—and I find that I have let myself get carried away from my subject—last week I put a series of questions to the Minister of Justice concerning the use of R.C.M.P membership cards by persons who did not belong to the mounted police. I think the minister said then that he would answer my questions, so I wonder whether he would now be ready to make a statement in that connection.

That is why I would like to afford him the opportunity to answer the questions I put to him the other day.

Mr. Cardin: Mr. Chairman, I am sorry if I cannot answer all his questions now, but here is the answer to a question put to me by the

hon. member for Lapointe. The R.C.M.P. investigated the allegations that one or two persons had unlawfully identified themselves as members of the R.C.M.P. It was established that one of them had an identification card issued by the R.C.M.P. commissioner under section 8, chapter 54, of the Royal Canadian Mounted Police Act, 1959. The commissioner in question is now retired.

This identification card showed that the bearer was a member of the R.C.M.P. and an officer of the peace. That person had been the executive assistant to the last minister of justice in the former government.

That identification card has been withdrawn. There is no evidence that another person involved in that case had such a card.

I have a report from the R.C.M.P. and after consulting the legal officers of the department, I decided there was no reason to take the matter before the courts.

• (9:30 p.m.)

Mr. Grégoire: Mr. Chairman, I have a further question with regard to the card which was withdrawn, I believe, after the former executive assistant had used it. In the present case, can the Minister of Justice tell us whether that former executive assistant was entitled to use that card when he did so, whether he was a member of the R.C.M.P., whether he had any reason to use it then, whether he used it with the permission of senior officers of the R.C.M.P., whether he still had the right at that time to keep that card and whether he used it within the operations of the R.C.M.P.?

Could the minister tell us also what other persons were involved with that former executive assistant? Were those other persons present when the former executive assistant produced that card? Did those other persons know that the former executive assistant was not a member of the R.C.M.P. and was not entitled to use that card?

Was it agreed that he should bring out this card although he was not entitled to it? Can the minister give the names of the three persons implicated in this affair?

Mr. Cardin: Mr. Chairman, the series of questions from the hon. member for Lapointe (Mr. Grégoire) can hardly be answered tonight. I do not remember exactly the names of the three persons involved. I hardly believe I should publish the names of persons following this kind of investigation.

As far as the identity card is concerned, the card proves that the bearer is in fact an agent of the R.C.M.P., a peace officer. For this reason it was not possible to prosecute him.

Now I do not believe the incumbent R.C.M.P. commissioner was aware that such a card existed. In fact, I am sure he was not aware this card was in circulation.

Mr. Grégoire: I do not at all wish to question the good faith of the commissioner, but did the former executive assistant still have the right and the permission to use this card at that time. Was he authorized to use it in this specific instance? Would the Minister of Justice perhaps answer these two questions tonight?

Mr. Cardin: Mr. Chairman, I have just said that the present commissioner did not know of the existence of the card and, consequently, I do not see how the person who had it could use it.

Mr. Grégoire: Mr. Chairman, does the Minister of Justice admit and recognize as normal that an individual should use an R.C.M.P. card without permission? Would the minister consider taking certain steps against the person who did this?

Mr. Cardin: Mr. Chairman, I have just answered this question. It is impossible to institute proceedings under the circumstances, because the card showed that he was an agent of the R.C.M.P. and an officer of the peace.

Mr. Grégoire: One last question, Mr. Chairman. Can the minister say whether there are many people in Canada who have cards like that one and without the R.C.M.P. commissioner knowing about it? Are there many people like that in Canada? For instance, could I have one?

Mr. Cardin: No, Mr. Chairman, there is not one card like that in circulation.

[*English*]

Mr. Nielsen: Mr. Chairman, this afternoon we have been treated to some of the queerest expositions of the concepts of justice that I have heard in a long time. I know it is the habit of those opposite to laugh at anything that smacks of justice in Canada and justice in this house.

We have heard the hon. member for Lapointe, an expert on the subject, speak about demagoguery on this side of the house, and

he provides us with the finest example of that. He speaks about parliament not being the place in which to discuss matters of the nature of the Spencer case, and yet he came whimpering to this house to discuss his own party's problems.

Mr. Starr: A stupid man.

Mr. Nielsen: He questioned, sir, the intellectual honesty of those who would raise the most important question of civil rights in this country. We question his intellectual capacity.

The Minister of Justice treated us to a whining discourse on the truth, and how important this is to parliament; and yet he forgets that when he was on this side of the house he was using words, on February 22, 1962 that will go down in infamy in the records of this house. He said that we must regard the truth: That is why we want an inquiry. He says we must trust the ministry. Is there any reason that we have to doubt the capability of this ministry in the administration of justice in this country? After the display that we were treated to in the last two years I say there should be grave doubt. Indeed there was doubt, as was displayed on November 8 last in the minds and hearts of all Canadians, as to the ability of these ministers to handle affairs concerning justice in this country.

The ex-minister of justice sitting beside the present Minister of Justice, on that day, November 23, when the matters giving rise to the issues in the Dorion inquiry were first raised, accused me of absolutely lying about the facts that I was presenting at that time, and still had the gall to sit there, as he did last Friday, and maintain the truth of those assertions, when they now have the full judicial arbitration of the commissioner appointed by himself.

Mr. Favreau: What I said is a lie, is a lie, and you know it.

Mr. Nielsen: Then I am in good company with Mr. Justice Dorion.

That gang on the treasury benches are up to their same old tricks; the green carpet gang, that is what they are. They are doing the same thing to Spencer as is their habit. He asks us, sir, to have faith and trust in a ministry that has shown itself incapable of appreciating the barest elementaries of the principles of justice. No wonder, sir, that we cannot have faith in this Minister of Justice or in any of his colleagues in any of the decisions affecting the affairs of justice in the country. He uses words like "innuendo", and the member for Lapointe describes our demands on this side of this house as demagoguery.

Did you notice, Mr. Chairman, that coincidental exchange between the member for Lapointe and the Minister of Justice who read from a prepared answer to the question put by the member for Lapointe.

An hon. Member: He asked him the other day.

Mr. Nielsen: They shouted "innuendo" in November; they shouted "McCarthyism"; they shouted "lies", and all these matters which have come to pass have shown just how wrong they were on that occasion; and yet they will not learn. They do not appreciate the distinction between acting as a chief prosecutor, judge, jury and executioner, and the principles on which the law officers in the Department of Justice operate. They rest their case on the fact that there is insufficient admissible evidence—I think those were the words used by the Minister of Justice—that could or should bring about a conviction. That is not his job. I said this to his predecessor and I say this to him—

Mr. Cardin: Whose job is it.

Mr. Nielsen: It is the job of the law officers of the Crown to consider whether or not there is sufficient there to lay an information, and then they go no further. It becomes the job of the judges of the courts of this country to determine whether or not there is sufficient evidence to obtain a conviction. That is the distinction that his predecessor missed and which got him into trouble—one of the factors—when he was minister, and it is precisely the same distinction which is being missed by the present minister.

Mr. Cardin: It was missed by your government.

• (9:40 p.m.)

Mr. Nielsen: If the President of the Privy Council does not agree with that interpretation and if the Minister of Justice does not agree with it, then do away with the courts, because there is no more use for them or for judges. For what other purpose are they put there than to determine whether or not there is sufficient evidence on which to base a conviction? That is what they are there for and that is what the courts of the country

are there for. The Minister of Justice is not in his position to act as a judge. His law officers are not employed to act as judges. The law officers of the minister's department, as I have said, are there to determine whether or not there is evidence on which to base the laying of an information, and from there on this becomes the responsibility of the courts.

Mr. Grégoire: Mr. Chairman, I rise on a point of order. With the new system we have in the house each time the hon. member for Yukon pounds his fingers on the table we get a noise in our ears.

An hon. Member: That is better than what you say normally.

Mr. Grégoire: I know it is not easy for the hon. member to remember not to hit his desk during arguments of this kind, but I would please ask him to not thump his fingers on the desk, because that is no use to us at all. It just makes a noise.

Mr. Nielsen: Mr. Chairman, I have always said that the hon. member for Lapointe needs a good thumping. I have listened in the house for several years now to the hon. member for Lapointe and I was delighted to hear his remarks this evening, because they indicate his flexibility and capacity with the English language, that other official language of this country.

Mr. Knowles: The thumping is bilingual.

Mr. Nielsen: The minister dealt at great length with the fact that Spencer admitted his identity. I ask him again to search his memory very carefully and to search his newspaper clippings on his files, and then reconsider what he has said in light of the record. He knows as well as I do about this business of the program, "This Hour Has 7 Days," and about the methods used by the C.B.C. He knows that they cut and splice and cut and splice.

Mr. Cardin: You can say that again.

Mr. Nielsen: I think the expert in this field is the Prime Minister himself, having regard to the famous Pearson film. There were more cuts and splices lying on the cutting room floor after that filming than ever before.

An hon. Member: Have you seen it?

Mr. Nielsen: The minister says that no member of the house has asked about the damage Spencer has done to national security, but what damage would it do to national security if the minister and the government were to accept the reasonable request of the opposition to hold an in camera inquiry? I suggest that not one scintilla of damage would be done to national security.

Mr. Cardin: Why should there be such an inquiry?

Mr. Nielsen: The minister asks why we want an in camera inquiry. We want one to satisfy precisely that attribute which the minister himself holds out as being the acme of parliamentary function and the function of justice in this country: To establish the truth, to establish whether or not the decisions that have been taken by the Prime Minister are good, and to establish whether or not the positions taken by the minister in pre-judgment and in convicting and sentencing Mr. Spencer were good.

Mr. Cardin: Are you going to do that in respect of every decision the government takes?

Mr. Nielsen: We only wish that procedure followed in respect of that one sort of action, and the manner in which that action is taken. We suggest that these matters should be submitted to an independent judicial assessment. As the hon. member for St. John's West—east, up, down or centre—has said, justice must not only be done, it must also appear to be done; and it does not appear to have been done under the present circumstances.

In the time left to me I should like to point out to the minister some remarks made by the Minister of Justice for the province of Quebec in commenting on this debate, as he is reported in the Montreal *Star* of February 26 last. In that article Mr. Wagner is quoted as having said:

> It has become more and more evident that organized crime, not only in Quebec but in the whole of the country, has created a veritable state of emergency.

Mr. Wagner went on to support the submissions of the opposition, that there be convened a royal commission on crime. I do not see how the minister can excuse any further delay in this matter. His own Prime Minister led the people of this country to believe precisely that which Mr. Wagner said, when he spoke to them last June 29. The impression that was left in the minds of all Canadians

who saw and heard him was that government action was going to be taken in order to deal with the situation that Mr. Wagner has described as "a veritable state of emergency". That action can be taken by the convening of a royal commission on crime, and it would not be difficult to set one up.

Mr. Wagner indicated on February 26 that he is going to get this kind of co-operation from that provincial government, and that there is no reason to expect that there will not be the same kind of co-operation from the remainder of the attorneys general of the provinces. Therefore the minister can count on full co-operation in setting up a royal commission on organized criminal activities in this country. I had some doubt after the last federal-provincial conference that Mr. Wagner and the Quebec government would provide that degree of co-operation regarding a royal commission; but after the expression by Mr. Wagner, and the alternative to it of an interpol system, I am glad to know that he has come out in full support of the idea of a royal commission on crime. In this regard the minister need have no qualms that, in my view, the suggestion would meet with any thing but wholehearted acceptance, not only by the province of Quebec but by the others.

I was disappointed not to have received answers to the questions I have placed on the order paper. I should have liked to see those answers today; however, I can wait a little longer. In the interim I have one or two other questions I should like to ask dealing with specific companies and current matters, coincidentally, in the province of Quebec.

Mr. Favreau: Yes, coincidentally.

Mr. Nielsen: What does the President of the Privy Council say?

Mr. Favreau: I said, coincidentally in the province of Quebec. I do not know why you always insist on saying that.

Mr. Nielsen: The companies to which I have reference happen to be incorporated and operating in the province of Quebec. I am sure when the Minister of Justice answers the question I have on the order paper he will deal with those companies mentioned in Toronto, Hamilton, Edmonton and Vancouver, and that other names of companies and other material will then come to light.

[Mr. Nielsen.]

I should like to ask the minister to refer to his officials in order to obtain replies to my questions on the order paper, in so far as they relate to these companies in Montreal; Bercy Construction; Provost Construction, Omer Construction; Taillon Construction, and Deauville or Douville Construction. I mentioned last Friday the name of the Scalia Development Company. I think it is important that the minister refer these particular companies to his officials. I think it may be of importance for his officials perhaps to act in liaison with the Montreal police officials and the Quebec attorney general's department in so far as these companies are concerned.

• (9:50 p.m.)

Mr. Cardin: We may not be able to get that information for tomorrow.

Mr. Nielsen: I doubt very much that I will have the questions I have put on the order paper answered by tomorrow. But these are companies that figure in current events in the city of Montreal in the province of Quebec. I will let the matter rest there, in the hope that I can obtain from the minister answers in so far as they relate to these specific companies, and I would hope that when the questions are answered they will be fully and accurately answered in so far as the remainder of the companies and the trustees are concerned.

Mr. Grégoire: Mr. Chairman, may I ask the hon. member a question? The Minister of Justice of Quebec, Mr. Wagner, said during the week end that if the hon. member for Yukon knows something about the fraudulent bankruptcies in the province of Quebec, it is his duty to give his information to the Minister of Justice of Quebec. Is the hon. member for Yukon ready to do that, or has he done it yet?

Mr. Nielsen: Mr. Chairman, let me say this in answer to my hon. friend's question. I am satisfied that I do not have any information that the Attorney General of Quebec does not have.

Mr. Groos: Mr. Chairman, would the hon. member permit me to also ask him a question? Does not the suggestion that a judicial inquiry be assembled to investigate this case, which is in the very sensitive area of national security, an area that I know is of great

concern to every member of this house particularly as it seeks the fundamental objective of safeguarding the liberties of individuals, presuppose the condition that the aggrieved one should be seeking relief?

It is very easy to obtain this relief; this is a free country and it requires only one word to the press. But I notice that in this case the accused has been silent. I think this silence is significant. I should like to hear what the hon. member's views are in this respect.

Mr. Nielsen: Governments exist as an instrument for the people, and not vice-versa. If the Minister of Justice is prepared to stand up and say that Mr. Spencer has been approached and asked whether or not he wishes to have access to the courts, and if he is prepared to say that he wants nothing to do with access to the courts, then fine; I am prepared to accept the situation. But I believe that governments exist to see that justice is done, and we do not wait for this massive rejection of government action before governments act in matters such as this. It is the government's responsibility to see that justice is done to every individual or group however small it might be.

Mr. Lewis: Mr. Chairman—

Mr. Grégoire: Mr. Chairman, may I ask a supplementary question?

The Chairman: Order, please. The Chair recognizes the hon. member for York South.

Mr. Lewis: Mr. Chairman, I want to say a few more words on the case which we have discussed a great deal. I want to start by answering, if I may, in my own way the question which has just been asked and the question interjected by the hon. member for Mount Royal as well, namely as to whether or not Mr. Spencer has asked for relief. Let me ask the hon. gentleman this question. Suppose you have, as in my experience in labour relations I have frequently found, a man who is dealt with unfairly by his employer and he is one of those easy-going, quiet, reserved, timid people—

Some hon. Members: Oh, oh.

Mr. Lewis: Don't laugh. I happen to have made inquiries about Mr. Spencer, for the information of the hon. member for Lapointe, and I happen not to be able to find where Mr. Spencer is, for the information of the hon. member for Lapointe. If I knew where Mr. Spencer is I would find out exactly what he wants or what he does not want done in this case. But he has apparently disappeared and people do not know where he is; at least, those we are in touch with do not know.

I ask the hon. members who have asked this question: If you have a man to whom an injustice has been done by his employer, and he happens to be rather timid and does not raise objection—there are many people who do not fight for their rights themselves—does that make the injustice any the less important; does that make the principle of civil liberty any the less relevant; does that make the taking away of a man's civil right any the less significant—the fact that the man has not himself raised his voice?

The Minister of Justice says, why do we want a judicial inquiry? To answer this question I can use no better language than that of the Prime Minister. We want a judicial inquiry for the reasons the Prime Minister set out as reported in *Hansard* of 1963 at pages 4044 and 4045:

> The second new requirement is to ensure that a second look is always taken by a separate body before dismissal is finally decided upon. Once the individual is told of security doubts he will have the opportunity to give his side of the case. The employing agency will consider it, consult the staff of the government security panel, and arrive at a conclusion. It may be to accept the person as reliable, in which case no problem arises.

The right hon. gentleman went on:

> It may be to transfer him to a less sensitive employment, as has been the case certainly more than once in the past, where he would not have access to secret and confidential material. But if it is—

I ask the Minister of Justice to listen to the words of his and my Prime Minister:

> But if it is that his dismissal must be recommended, the individual will be given a second hearing, this time by the deputy minister or head of the agency. If that interview does not resolve the doubts, and if the agency head agrees with the view that dismissal is necessary, the whole case and the relevant information, including anything that the employee himself has submitted, will be submitted to a board of review.

This is the point we are making, Mr. Chairman.

Mr. Groos: May I have a chance to reply to the question of the hon. gentleman?

Some hon. Members: No.

Mr. Lewis: My question was not directed to the hon. member. I say to he Minister of

Justice that there is no more than that in our request. I am not concerned with all the political stuff that has been thrown at the minister by other members; I am not concerned in any of the controversy about whether or not he revealed the name or somebody else revealed the name, and I am not concerned to go back to Dorion, November 8, or anything else. The New Democrats in this parliament, for whom I now speak, are concerned that this board of review mentioned by the Prime Minister conduct the necessary hearing. We call it a judicial inquiry.

We are concerned to make sure that this man does have the chance to have his say before a third party. We are concerned to make sure that this parliament and this country are convinced that justice has in fact been done. I am not questioning—I want to make this clear—the sincerity of the minister; I am not questioning the sincerity of the Prime Minister; I am not questioning the efficiency and the competence of the Royal Canadian Mounted Police. I am not questioning any of these things. I am saying to the minister that this man, dismissed under section 50 of the Civil Service Act, had no opportunity for an independent review and we are here, as members of parliament, his employer.

We are not asking that this matter be taken to a court, because no one is questioning the legality of the government's action under section 50 of the Civil Service Act; the words are clear. What we are questioning is the morality of the action. What we are questioning is the dismissal of an employee by an employer without the employee's voice being heard by an independent tribunal. It will do no harm to the government, it will do no harm to the security of Canada to have that kind of hearing. I still appeal to the minister to have this kind of appeal.

Mr. Greene: Mr. Chairman, would the hon. member permit a question? I wonder whether the hon. member can envisage a situation in which section 50 would be pertinent; or does the hon. member allege that section 50 is redundant and should never be used?

• (10:00 p.m.)

Mr. Lewis: First of all, if I had anything to do with it, section 50 would not be there because I do not think you need it. But let me say to the Minister of Agriculture, even though section 50 says you have a right to dismiss, I think the law would put into that the concept of dismissal for cause; our system of justice would put into the words the concept of a fair, impartial hearing, because those things are basic to our system of justice. No matter what language the section uses, if a man is dismissed without a hearing that, in my opinion, is contrary to our way of life.

Mr. Groos: Mr. Chairman, unless I misunderstood the hon. member—

Some hon. Members: Ten o'clock.

Mr. Groos: He did ask me a question, inasmuch as he asked if I could not consider the case of a shy, retiring person who would not bring forward any argument in his defence.

Mr. Lewis: I did not mean it as a question, but I do not mind it.

Mr. Groos: If I may make an observation, Mr. Chairman, I hardly think the actions of this man Spencer, who brought hinself to the attention—

The Chairman: Order, it being ten o'clock, shall I rise, report progress and ask leave to sit again?

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

THE CANADIAN ECONOMY—SUGGESTED STEP TO PROVIDE GUARANTEED ANNUAL INCOME

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, last Wednesday on the orders of the day, I put this question to the Minister of Finance: In the preparation of the budget, is the minister looking at the negative income tax as one means of providing a guaranteed annual income? His Honour the Speaker thought it was a question that would be more appropriately placed on the order paper or, to use his words, discussed at a later hour. Well, the later hour has now come.

My purpose in putting this question to the Minister of Finance is to try to get the government to consider what is, to many people, still a new idea. It is not exactly a brand new idea, but it is one about which not

much has yet been done. I refer to the general concept of a guaranteed annual income.

As I am sure the minister is aware, much of the new or current thinking that is taking place among social workers and among some of our modern economists is in this very field. It is, of course, related to the tremendous technological changes which are taking place in our society. It is related to the fact that our whole way of life may well be changed by the modern developments that are taking place. The whole concept of our right to the enjoyment of goods and services being related to the number of hours of drudgery or other work which we do may in our time be replaced by the concept of a guaranteed annual income.

In fact, there are some very interesting books on this subject which I would be happy to recommend for the minister's bed-time reading while he is waiting for the Carter report. But all I wish to do at this point is simply to lay this basis for the specific question that I put to the minister.

When I speak, as others do, about a guaranteed annual income for all of our people, I have in mind that there are various ways of achieving it. Measures of social security are one of the ways in which it is done. An increase in the number of things, such as education and other services, which are provided free for all our people is another way to bring about a guaranteed annual income for our people. I hear some questioning in the background that I do not quite get, but I know there are some people who are afraid of this sort of thing and think it will do some damage to the human spirit. I think the very opposite. I believe that the more we free people from drudgery and insecurity, the better will our people respond.

However, Mr. Speaker, it is not my intention in a seven-minute overtime period to launch too deeply into the philosophy of the future. I simply wanted to lay this general basis for one of the ways which is being suggested for achieving a guaranteed annual income, and that is the negative income tax.

I notice that even *Hansard* did not put the phrase "negative income tax" into its heading. As a matter of fact, when I used the word in the house the other day *Hansard* had to send down to me to make sure that was the word I used. I guess it mystified some people. In fact, I was not really sure whether the minister himself was quite aware of what I was talking about.

The minister could look into the writings of Peter Newman, Mr. Speaker, and discover that he thinks the Liberals are looking at it. The minister will also find that there is some suggestion that it is being looked at by his opposite numbers in Washington. The idea involved in the negative income tax is that we set reasonable income tax exemption levels, and if they are going to be reasonable they should be higher than the ones which we have at the present time. Then we impose taxation above these levels, but in the case of people who earn less than those levels they receive a payment from the state to bring them up to those levels.

This device is thus a means, but only one means, of helping to achieve a guaranteed annual income. Just as today the Minister of National Revenue makes refunds to people who overpay their taxes, I believe the day will come when he will be making this other kind of payment, namely a negative income tax. I am sure that the minister does not want to be thought of only as an ogre who takes money away from people because they make too much of it. I am sure, as a person who has the kind of background I know he has, he would like the incomes of all our people to be brought up to a reasonable level. He would like to subscribe to the principle that no one in this country should fall below certain reasonable and dignified levels of income.

If this is to be accepted as a principle, then I suggest it be accepted more than as a matter of words. Our legislation should be based on it, and I would invite the minister, in the preparation of his budget this year, to take a good look at the negative income tax.

I should now like to ask him the question which I put to him last Wednesday. Is he looking at this matter in the preparation of this year's budget?

• (10:10 p.m.)

Hon. Mitchell Sharp (Minister of Finance): I can assure the hon. member that I understood very well the question he asked me the other day. The idea of a negative income tax did not take me by surprise. Indeed I have been interested in this idea for many years and I am very pleased that a member of the New Democratic party should finally become modern in his thinking. One of the problems about the N.D.P. is that they are so hopelessly old-fashioned. It is a hopeful sign that the

hon. member's party is now looking at modern ideas in this field, as the Liberals have been doing for many years.

I can recall many years ago one of my friends and colleagues elaborating a complete system involving a guaranteed minimum income for all Canadians from the time they enter the labour force until they die, combined with a related tax structure—the most ingenious and on the whole, I think, the best system of its kind I have ever seen. Needless to say, it was very revolutionary.

May I also point out to the hon. member that the idea of a negative income tax was in fact incorporated into the family allowance legislation introduced by a Liberal government quite some time ago. The family allowance payments are really payments in respect of their children to those who do not have a taxable income. After all, a provision along the lines of a family allowance had been in the Income Tax Act for many years before the family allowance was introduced. The family allowance is really an extension of a payment with respect to children going below taxable income levels. It was the first implementation of this principle of a negative income tax by the Liberal government many years ago. At first family allowances were a substitution for deductions in relation to children. Later it got a little fuzzy in administration but the fundamental principle is still there—that you pay a family allowance to those who do not have income tax liability as well as to those who do.

I do not intend to predict what will be incorporated in the budget, which I hope to bring down reasonably soon. But I should like to assure the hon. member that I personally, and, I think the present Liberal government, believe that all public policy in Canada should be directed toward providing all citizens, regardless of their means of livelihood, or their condition, with an adequate income. I have some doubt whether the negative income tax method of approaching this question is the best in all the circumstances, but as the hon. member has said himself there are many other things which could be done, all directed to that same goal.

LABOUR CONDITIONS—REPORTED STATEMENT RESPECTING RETIREMENT AGE IN INDUSTRY

Mr. H. W. Herridge (Kootenay West): As one of those old-fashioned New Democratic Party members I was shocked and surprised when I received correspondence from trade unionists in Kootenay East who said they had listened to a radio report of an interview given by the Parliamentary Secretary to the Minister of Transport with respect to the age up to which a person could work. They were disturbed about this, as I was, and they asked me to put a question in the house to the minister in order to find out whether this statement represented government policy.

On that account I asked the Minister of Citizenship and Immigration the following question on February 24, as recorded at page 1705 of *Hansard*:

> Mr. Speaker, I wish to address a question to the Minister of Citizenship and Immigration. My question is based on a radio report given to the people of Kootenay East by the Parliamentary Secretary to the Minister of Transport. I am informed that the Parliamentary Secretary advocated that persons working in industry should have the opportunity to continue working until age 67. Would the minister inform the house if this represents government policy?

It was at that point that Your Honour intimated this would be a better subject at this hour.

I was really surprised at this report because the Parliamentary Secretary has had long experience as a trade union member and trade union official. I am sure he knows of the efforts of organized labour to reduce the retirement age from 65 to 60, in order to meet the just aspirations of working people generally, and under present circumstances to do something to meet changing conditions due to the rapid development of automation, and so on.

So, Mr. Speaker, I address this question to the minister. I am very pleased to see that the Parliamentary Secretary is in his seat this evening, and no doubt he will give us an explanation of this rather strange report to the people of Kootenay East.

Mr. J. A. Byrne (Parliamentary Secretary to the Minister of Transport): Mr. Speaker, since the designate minister of manpower found it impossible to be in the house at this late hour he has asked me to reply to the hon. member for Kootenay West (Mr. Herridge). Essentially, of course, I was speaking as a private member in an interview on a regular broadcast to the people of Kootenay East. Sometimes I have the pleasure and honour of addressing the people of West Kootenay. I believe the interview will also be carried into West Kootenay, and I make no apology for it.

The government, of course, does not determine the employment termination date in any union agreements or pension plans. This is a matter between the unions and employers. The hon. member for Kootenay West must know that the Canada Pension Plan, to which he heartily subscribes, provides that a person who desires to work beyond the age of 65 may do so and collect his pension at age 70, and at age 70 may continue to work while still receiving payments under the Canada Pension Plan.

This matter of retirement and the integration of older people into our society after retirement was of chief concern to the Senate committee which studied the problem. In the Senate committee report it is stated:

> One of the most serious and difficult problems faced by society in relation to old people is that of helping them maintain some satisfying foothold in the community and with it a sense of self-worth.

The report goes on to explain that arbitrarily cutting a man's income off at age 65 does not always work in his best interests and may be discriminatory. The very fact that we say "You are finished" when a person reaches 65 years can be harmful.

It is no surprise to my colleagues in the trade union movement that on occasion I have had to fight to keep members working after age 65, members who had little or no pension. I put up a terrific fight on their behalf, and I am thinking in particular of older people employed during the war and who did not have the opportunity to build up a pension fund. It is people like that I am concerned about, not those who are to some extent adequately cared for by present pension plans. I believe it is an arbitrary measure to say to a man, "You are finished as of your birth date."

I am sure the hon. member for Kootenay West agrees with me in practice if not in theory because, according to *Hansard*, on two occasions he announced his own retirement. Yet at the age of 71, which is not by any means a venerable age, he still graces the benches of this house.

Mr. Herridge: At the request of the people of Kootenay West.

The Acting Speaker (Mr. Rinfret): Order please.

Mr. Byrne: I am sure the hon. member will agree—

The Acting Speaker (Mr. Rinfret): Order please. I regret to interrupt the hon. member for Kootenay East replying to the hon. member for Kootenay West, but the time allotted him has expired.

Mr. Byrne: My apologies, Mr. Speaker.

• (10:20 p.m.)

FARM MACHINERY—INCREASED PROFITS BY MASSEY-FERGUSON COMPANY

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I am sure that many of the farmers in western Canada were reassured a few weeks ago when a statement was attributed to the Minister of Agriculture to the effect that there would be an investigation into the cost of farm machinery. Since then we have not heard too much about that subject. However, the other morning in reading the *Globe and Mail* I was a little disturbed by an article there headlined "Massey profit soars; SEC bars comment". I would like to quote briefly from that article:

> Massey-Ferguson Ltd., international farm implement maker, yesterday reported sharp gains in sales and profits for the first quarter ended Jan. 31, 1966. The company said, however, that it is forbidden by the Securities and Exchange Commission in the United States to discuss reasons for the profit jump.
>
> Sales rose 29.3 per cent to $179,500,000 from $138,000,000 in the year-earlier period.

It states further:

> Sales gained in all major geographic areas of the company's operations except Australasia, where there has been severe drought. Largest sales gains were in North America (to $76,600,000 from $51,800,000).

Then there is this comment:

> The SEC will not permit comment on the profit rise because Massey has yet to give full details of a rights offering announced Feb. 16.

Then it goes on to say what Massey said, and we get a sort of inverse reasoning here, because a company can make an omission, or error, and then it would seem to be almost rewarded for it. I was concerned by this because I did expect that the minister was sincere in his intention to have an inquiry into the prices of farm machinery. I would like to ask, first of all, whether it is the intention of the minister to refer the subject of farm machinery prices to the Standing Committee on Agriculture. I am sure the farmers in the western provinces in particular will be interested in obtaining reassurance that this investigation is going to go ahead.

In recent years there has been a feeling in western Canada that we pay a high subsidy

in respect of farm machinery prices to manufacturers in central Canada. This is a matter which concerns British Columbia very much in the dairy industry, particularly where the costs of the sophisticated machinery used both in the production of the fluid milk and also in the harvesting of the forage crops is an increasingly important cost factor to those people.

We have just had a committee from the Federation of Agriculture present a brief and the most important point they made is that the dairy industry is in a state of crisis at the present time. I am sure they will be very interested in knowing what is the intention of the minister. If this inquiry is referred to the Standing Committee on Agriculture, can we be assured that that committee will be able to obtain all the facts, and the reasons for the profits and the profit increases in Canada?

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I have grave doubts about the propriety of raising a question at ten o'clock which has been ruled out of order by Mr. Speaker. If the question had been ruled out of order for lack of urgency then the question could be properly brought before the house at this time. I would therefore respectfully request that Mr. Speaker take this question under advisement and, if it pleases His Honour, to render a decision at some future time.

I do not, however, wish to stand on a technicality. I want to make a brief reply to the question posed by the hon. member.

On April 30, 1965, as recorded at page 777 of *Hansard* the hon. member for Qu'Appelle (Mr. Hamilton) directed a question to the then minister of finance. I should like to quote that question and the reply which is as follows:

> I should like to direct a question to the Minister of Finance. Will the Minister tell the House if the Government intends to take any action on the Porter Commission recommendation concerning securities administration and control?

The finance minister replied as follows:

> The matter is under study and has been for some time, Mr. Speaker.

The action taken by the S.E.C. is quite proper. Any company which is listed on a foreign stock exchange is required, before making public its profit position, to clear this matter with the S.E.C. This is simply a means of protecting public investors. I am sure the hon. member will be pleased to know that the company in question has met this requirement, and yesterday or today made a statement of its financial position, indicating that it had met this requirement and was in a position to make public its profit position.

I think I would be at liberty to express to the hon. member the fact that in view of this transition there is nothing to prevent the agriculture committee from calling witnesses or dealing with any matter that might be referred to it. The matter of referring machinery prices to the agriculture committee is under study by the government. Whether or not it will be referred to that committee will be announced by the minister in due course.

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

HOUSE OF COMMONS

Tuesday, March 1, 1966

The house met at 2.30 p.m.

PRIVILEGE

MR. NIELSEN—RIGHT OF MEMBER FOR MONTMAGNY-L'ISLET TO VOTE IN HOUSE

Mr. Speaker: Order. The Chair made reference yesterday to the question of privilege raised by the hon. member for Yukon (Mr. Nielsen) some time ago, and indicated I would make a statement today, hoping both hon. members would be in their places. Today we have the opposite situation to that which obtained yesterday in that the hon. member for Yukon is in the house and the hon. member for Montmagny-L'Islet (Mr. Berger) is not, but in view of the fact that notice was given by the Chair yesterday I propose to deliver an opinion about the matter at this time.

On February 21 last the hon. member for Yukon rose in the house on a matter of privilege as to the right of the hon. member for Montmagny-L'Islet to have sat in the house and to have voted on three occasions, the dates of which were subsequent to the date on which the return of his election expenses should have been filed. The hon. member continued his presentation by stating that he simply wanted to draw my attention and that of hon. members to the possible breach of privilege that exists, and ended by seeking the Speaker's guidance in this connection.

The Minister of Public Works (Mr. McIlraith) intervened to make the point that section 63 of the Canada Elections Act provides that if members fail to carry out the provisions of the act, there is a remedy provided in the courts, and that therefore this would be a matter for the courts to consider.

I have already brought to the attention of the house the terms of the judgment delivered on February 24 last by Chief Justice Dorion, and perhaps I should not repeat that at this time. I have looked into the matter raised by the hon. member for Yukon and, with a view to being of some assistance to the house, may I be permitted to submit the following comments.

In referring to page 60 of May's seventeenth edition it will be seen that one of the privileges of parliament is for each house to be the sole judge of the lawfulness, or the legality, of its own proceedings, and that:

> —this holds even where the procedure of a house or the right of its members or officers to take part in its proceedings is dependent on statute.

As will also be seen at page 61 of the same edition, Mr. Justice Stephen, in his judgment in the Bradlaugh case, defined the relation between the jurisdiction of the courts and that of the House of Commons, and is reported as follows:

> —I think that the House of Commons is not subject to the control of Her Majesty's court in its administration of that part of the statute-law which has relation to its own internal proceedings . . . It seems to follow that the House of Commons has the exclusive power of interpreting the statute, so far as the regulation of its own proceedings within its own walls is concerned;

And further on we read:

> —for the purpose of determining on a right to be exercised within the house itself, and in particular the right of sitting and voting, the house, and the house alone could interpret the statute but . . . as regarded rights to be exercised out of and independently of the house, such as the right of suing for a penalty for having sat and voted, the statute must be interpreted by this court independently of the house.

Bourinot's fourth edition, at page 390, reads as follows:

> If it should be decided that a member has no right to sit or vote in the house, the votes he may have given during the period of his disqualification will be struck off the Journals.

Dawson in his book "Procedure in the Canadian House" under the heading "The disallowance of votes" says at page 186:

> Occasionally it is necessary to strike out the vote of a member who has participated in a division. The rules surrounding this practice are not clear.

Later on, at pages 190 and 191, he again refers to the matter and says:

> A formal challenge of a vote by another member of the house must be done by a substantive motion that the vote be struck off the division list. This procedure was established in Canada in 1900 when the votes of three members were challenged. At that time the Speaker ruled that he himself had no authority to alter the division lists and that the only remedy was in the hands of the house; any member could make a motion to disallow a vote, the accused member should be heard, and the house could make its decision.

Question of Privilege

• (2:40 p.m.)

Perhaps at this point I should make passing reference to a precedent reported at page 260 of the *Debates of the House of Commons* for the 22nd of May, 1875, when the Speaker called attention to the fact that a member had taken his seat and voted without having subscribed to the role and taken the oath. The matter was subsequently referred to the committee on privileges and elections and as a result of the committee's report the member's vote was removed from the division list and *Journals* of the house.

From the references and precedents just quoted it would appear to me:

(a) That, even if there is a penalty provision in section 63 of the Canada Elections Act and whatever may be the terms of the order made by the judge pursuant to the said section in allowing an authorized excuse, the house is still the sole judge of its own proceedings, and for the purpose of determining on a right to be exercised within the house itself which, in this particular case, is the right of one hon. member to sit and to vote, the house alone can interpret the relevant statute.

(b) That the procedure followed in 1875 with regard to the precedent above referred to, which bears resemblance to the case before us, seems to me to indicate that the question was dealt with at the time as being of the nature of a prima facie case of a breach of privilege.

(c) That it is not within the competence of the Speaker to decide as to the question of substance or as to the disallowance of a vote, and that such decisions are to be made by the house itself.

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I thank you for the ruling which you have given on the matter of privilege, and say that I would like to study it in more detail before deciding whether any further procedure should be taken.

TRADE

COPPER—CHANGES IN CONTROL OF ORE AND CONCENTRATE EXPORTS

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, on January 31 I advised the house that in the interests of orderly marketing and domestic supply it had become necessary to make certain changes in export controls affecting copper scrap, copper alloy scrap and copper bearing scrap. For the same reasons I wish to announce changes in the control of exports of copper ores and concentrates.

The production of copper in Canada depends largely on supply of mine concentrates purchased from or processed for a large number of independent mines. If this supply should be interrupted or diverted elsewhere to any considerable extent it would affect the supply of copper available for use in Canada.

On November 22, when export controls were put on various forms of copper as a precautionary measure, a general export permit was issued for ores and concentrates moving to off-shore destinations. This general export permit is now being revoked and effective March 21 individual permits will be required for shipments to off-shore destinations. The advance notice will provide an opportunity for exporters to apply for permits where required under existing contracts.

It is not the purpose of this move to interfere with supplies moving to smelters abroad under contracts now existing. However, the individual permit requirement will enable the government to prevent diversion to off-shore destinations of ores and concentrates now under contract to Canadian smelters.

This action is also taken under the authority of the Export and Import Permits Act.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I thank the minister for providing us with his statement in advance. I think the house should have further information. This statement is rather general in form. The second last paragraph states that the individual permit requirement will enable the government to prevent diversion to off-shore destinations of ores and concentrates now under contract to Canadian smelters.

I think there should be an explanation in this regard. What companies actually are affected by this? What is being done that has made necessary these changes? Second, I would like to point out one fact; that once you establish the principle of individual permits being required, the great danger is that unless administratively carried out in fairness and equity the door is open to discrimination.

I would like the minister to give the house and the country some further information in this regard. Certainly the course being taken is of an extraordinary character in the light of recent circumstances; therefore, I think an explanation in greater detail should be given.

Mr. M. W. Martin (Timmins): Mr. Speaker, I should like to thank the minister for this announcement, and will reserve any statement as to our final position until we see what this really means. I should like to bring to the attention of the minister and the government the fact that we feel more attention should be paid to an attempt to develop the processing side of the metal mining industry in Canada. It is very easy to understand, and you do not have to study too deeply to know, that in the metal mining industry the vast majority of jobs are in the processing rather than in the extraction of these minerals. I think the policy has existed far too long whereby, while extraction of our natural resources is done here, the great majority of jobs are available in the processing field in foreign countries. The government must realize and take the necessary steps to see that more of our resources are processed here in this country rather than elsewhere.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, we have listened closely to the statement just made by the Minister of Trade and Commerce (Mr. Winters) with regard to the control of copper exports.

I fully agree with the hon. member for Timmins (Mr. Martin) who said that the government should define more clearly its export policy in general, but, in this case, on copper.

I represent a copper producing area myself and we are all anxious to see the government take the responsibility of establishing secondary industries in our area, in order to process on the spot, here in Canada, metals such as copper.

Now, I believe that the statement of the minister is not very clear in the circumstances. Something is abolished, something else is added; other restructions are applied, while others no longer apply, and so on and so forth.

This is a hodgepodge the majority of Canadians will not understand. Consequently, the minister should be clearer and more precise in his statement and let us know what the government intends to do not only concerning the copper producers but also processing in this country, so that we can sell finished products outside Canada, because such exports would be profitable.

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, speaking very briefly on the announcement by the Minister of Trade and Commerce, let me say that we assume the situation that has necessitated these decisions regarding the export of copper relates to our own needs and the fact that copper is becoming less plentiful on the foreign markets than it has been.

I want to support the statement made by the hon. member for Timmins (Mr. Martin). The needs of the Canadian market and the Canadian people will never be met adequately until a greater degree of our natural resources, copper in this instance, are not only extracted but also processed and finished within this country.

BUSINESS OF THE HOUSE

REARRANGEMENT OF DEPARTMENTS TO BE CONSIDERED IN SUPPLY

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I should like to take advantage of this opportunity to make a short statement concerning the business of the house, which I believe will be of interest to hon. members and will give them information about the procedure we propose to follow when government orders are called today.

• (2:50 p.m.)

It will be recalled that on February 9 last the Prime Minister announced the meeting of the joint United States-Canadian ministerial committee on trade and economic affairs in Washington on March 4 and 5. That meeting necessitates the absence of five ministers from the house on Thursday and Friday, if they are to keep their commitments at that meeting. The ministers are the Minister of Finance, the Minister of Trade and Commerce, the Minister of Industry, the Minister of Agriculture and the Minister of Mines and Technical Surveys.

It will be apparent to many hon. members that there might not be adequate time before Thursday to discuss the estimates of these departments, and in order that there should be an opportunity to deal with them before then the government proposes that when the house resolves itself into committee of supply today the estimates of these departments be called one after the other, not necessarily in the order I have indicated. We would postpone consideration of the estimates of the Department of Justice until the estimates of these five departments are completed, and would then immediately resume the estimates of the Department of Justice.

Business of the House

Mr. Diefenbaker: Mr. Speaker, could the minister give us a general idea of the order in which these estimates will be called? What will be the first department and the second one?

Mr. McIlraith: If this is agreeable, Mr. Speaker, we would call finance, trade and commerce, industry, agriculture and then mines and technical surveys. I suggest that we forgo the private members' hour today and tomorrow in view of the fact that we have referred some 20 private members' bills to committees and have indicated that we will make government time available for private members' bills on capital punishment. If this arrangement is agreeable, Mr. Speaker, we would ask to have it made an order of the house now.

Hon. Michael Starr (Ontario): That is agreeable to us, Mr. Speaker. The only undertaking we would like to have is that the forgoing of private members' hours will not mean that this time is lost entirely to private members but will be made available at some future date.

Mr. McIlraith: Yes, Mr. Speaker; my suggestion was that it merely be postponed.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we are prepared to agree to the suggestions the government house leader has made. I should like to say that very clearly, because I thought from what I heard earlier there was something else in his mind, but he did not put that something else on the record so I do not have to be concerned about it. We are prepared to agree to the suspending of consideration of the estimates of the Department of Justice and to our taking up the estimates of the five departments the minister named. We are prepared to agree that the private members' hours of today and tomorrow be postponed until a later time; and we are prepared to try to get the estimates of these five departments through by tomorrow evening.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): We agree, Mr. Speaker.

[*English*]

Mr. Knowles: Mr. Speaker, one of my colleagues has suggested that I add the words "provided the ministers co-operate".

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, we are happy to co-operate in the program as outlined by the minister.

[Mr. McIlraith.]

Mr. Speaker: Shall it be an order of the house that private members' hours for today and tomorrow be postponed?

Some hon. Members: Agreed.

TRADE

COPPER—CHANGES IN CONTROL OF ORE AND CONCENTRATE EXPORTS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I direct these questions to the Minister of Trade and Commerce arising out of the statement he made today. I would ask him to answer the two questions I raised during the course of my earlier remarks, and in addition these questions. Were the restrictions on copper exports, following upon similar restrictions imposed in the United States, undertaken at the request of the United States? To what countries and what regions has Canadian copper been diverted, and are any of the countries to which the diversion has taken place or is expected to take place behind the iron curtain or within the communist sphere of influence?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, the action was not taken at the request of the United States. It was based on domestic policy in an endeavour to assure a supply of copper to the greatest extent possible for domestic use. There have been no diversions of concentrates or ores. This is just an attempt to get our house in order so that any contracts that might be on the verge of being terminated between the suppliers of concentrates and smelters will come before us for consideration before they are renewed.

Mr. Diefenbaker: Mr. Speaker, I have a question with respect to the granting of individual permits. Will those permits be granted on the basis of equality and without any suggestion of discrimination as between applicants?

Mr. Winters: To the best of my ability that will be done, sir.

Mr. A. D. Hales (Wellington South): Mr. Speaker, I have a question for the Minister of Trade and Commerce. As I understand it, scrap copper is not included in this order. My question is, why did the minister not include the export of scrap copper to the United States?

Mr. Winters: Controls were imposed on the export of scrap several weeks ago, but we still maintain the principle of open border between the United States and Canada which has prevailed for some time. To the best of my knowledge there is very little scrap moving back and forth across the border.

Mr. Robert Simpson (Churchill): In view of some of the remarks which were made on the minister's statement, which would indicate that the statement dealt with the export of copper, I would like a clarification. Am I correct in assuming that this is in regard to the export of concentrates and ores, and not finished copper?

Mr. Winters: That is exactly right. The whole object is to preserve the supply of copper in Canada for secondary producers of copper products.

ADMINISTRATION OF JUSTICE

VICTOR GEORGE SPENCER—REQUEST FOR JUDICIAL INQUIRY

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): My question is directed to the Prime Minister. In view of the concern which has been expressed on both sides of the house with reference to the case of Victor G. Spencer, I want to ask the Prime Minister if he would give consideration, between now and when the Justice estimates come back before the committee of supply, to reconsider his former decision and agree to an in camera hearing for Spencer before a properly constituted inquiry.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the Minister of Justice set forth the position of the government in this matter yesterday, and I am glad to be able to confirm that position.

[*Translation*]

CANADIAN NATIONAL RAILWAYS

EDMONTON, ALTA.—NEW STATION POSTERS IN ENGLISH ONLY

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I put a question to the Minister of Transport?

The minister is no doubt aware of the new C.N.R. station in Edmonton, Alberta, but is he also aware of the fact that all the posters inside this huge railway station are unilingual and that they do not contain one word of French? Would the minister be prepared to see to it that bilingualism is respected in Alberta just as it is in the province of Quebec?

Mr. Speaker: Order. The hon. member's representations have been placed before the minister, and as his question is not that urgent, I would suggest to the hon. member to place it on the order paper.

FIRE

INVESTIGATION INTO LOSS OF RESIDENCE OF QUEBEC LIEUTENANT GOVERNOR

On the orders of the day:

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, may I put a question to the Prime Minister?

It has to do with the fire which destroyed the Quebec Lieutenant Governor's residence and is based on a reply the Prime Minister gave to the house last Tuesday when he said he had talked with the Quebec Premier about the details of the fire. He added that the Premier of Quebec was going to report to him in greater detail. Can the Prime Minister tell us if he has received a preliminary report on the causes of the fire and, if so, whether he intends to table that report?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the provincial government concerned made an inquiry into the origin of the fire. That report has already been made public. I should be glad to send a copy to my hon. friend. The report shows that in all probability the fire was due to a fault in the electric wiring.

[*Translation*]

Mr. Vincent: Mr. Speaker, may I put a supplementary question which also concerns the events that took place last week?

Could the Prime Minister tell us if the appointment of the Lieutenant Governor of the Province of Quebec was made on the recommendation of the premier of that province?

[*English*]

SHIPPING

PAUL HALL—POSSIBLE INTERFERENCE WITH CANADIAN OPERATIONS

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. Whereas Mr. Charles H. Millard, of the board of trustees of the Maritime Transportation Union, has deplored the cynical and irresponsible actions of men like Paul Hall and Hal C. Banks, would the minister inform the house if in view of the recent statements by Paul Hall, this man is in a position to interfere with the operation of Canadian ships.

Mr. Speaker: Order, please.

ADMINISTRATION OF JUSTICE

RETENTION IN CUSTODY OF COMPANY FILES

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, my question is for the Minister of Justice and it becomes urgent in view of the fact that his estimates have been held up. Will the minister assure us that the files of the five companies, the names of which I placed on *Hansard* yesterday and the day before, have not been and will not be removed from official custody, and that proper measures are being taken to safeguard their continued existence intact?

Hon. Lucien Cardin (Minister of Justice): Mr. Speaker, if the hon. member has charges to make against that company or any company, against me, or against the government let him do so immediately and stop fooling around.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: We heard that last year.

Mr. Nielsen: Mr. Speaker, the minister is a little sensitive. He obviously did not hear my question.

Mr. Speaker: Order, please.

Mr. Nielsen: My question was, will the minister assure us that the files of the five companies, the names of which I placed on record yesterday and the day before have not been and will not be removed—

Mr. Speaker: Order, please. The minister, as I gather, has replied. Order, please.

Mr. Starr: It was a stupid answer.

Mr. Speaker: The hon. member who asked the question may not be satisfied with the reply, but he knows that according to the rules he cannot insist on a reply at all, and when he does get a reply, even if he does not think it is adequate he has to accept it.

Mr. Nielsen: May I sir, ask the minister another question. Will the minister assure us that the files respecting the five companies that I have already mentioned have not been removed from official records, and that they will not be removed but will be maintained intact?

Mr. Cardin: Mr. Speaker, it does not seem to me that I have to give the hon. member assurance for something that is normally done in the Department of Justice.

Mr. Nielsen: Whose responsibility is it, then?

EXTERNAL AFFAIRS

GHANA—INQUIRY AS TO REQUEST FOR AID

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. In view of the financial crisis that faces the country of Ghana and the threat of famine which has been announced by the new head of state in that country, can the Secretary of State for External Affairs tell us whether he has responded to the request for food aid which has been publicized today.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, there has been no formal request to Canada for such aid.

ZAMBIA—SUGGESTED CANADIAN WITHDRAWAL FROM OIL AIRLIFT

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. May I ask him, in view of the cost to Canada of approximately $50,000 a day for the oil lift into Zambia, and reports coming in again today that Rhodesia is getting rather large quantities of oil, whether the government is looking into these reports to find out whether these expenditures on behalf of the Canadian government are ineffective and useless.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I have looked into this matter again since my hon. friend asked a question somewhat along these lines the other day. The government is of the opinion, as are other participating governments, that this is a desirable and necessary form of assistance at this time to bring about a realization of the objectives of sanctions.

[*Later*]

Mr. Olson: Mr. Speaker, I should like the Secretary of State for External Affairs to inform the house whether or not the government is attempting to ascertain if Rhodesia is

obtaining 75,000 gallons of gasoline per day from Portugal as well as other places such as South Africa so that we can find out whether the expense Canada is incurring is justified.

Mr. Martin (Essex East): Mr. Speaker, it is a fact that some supplies have come from one or two countries. However, there has been some exaggeration in respect of the amount of the supplies which are reported to have come clandestinely from these particular nations. The commonwealth sanctions committee is reviewing this whole problem. The matter is under constant study and I am sure the actions taken, including that taken by the United States the day before yesterday, will have useful results for the program of sanctions.

INVESTIGATION BY U.S. GOVERNMENT OF REPORTED DANGER SPOTS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I direct my question to the Prime Minister and ask him whether there is any foundation whatever for the allegations in the press, that are again repeated, that the United States government on direction of the Pentagon has sent out groups of professors for the purpose of looking into danger spots in various parts in the world, including Cuba, Yemen, the Congo and Canada. Did the government make any protest in regard thereto, because the statement goes into a great deal of detail and repeats what was said very recently.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there is a starred question on the order paper, I think by the hon. member for Kamloops, asking for information on this particular point. A reply to that question is being prepared and will be given tomorrow.

[*Later*]

Mr. Diefenbaker: I revert to the question I asked a while ago, to which the Prime Minister replied that the hon. member for Kamloops had placed a similar question on the order paper. I take it he was referring to question No. 689, which reads:

> Has the Secretary of State for External Affairs or any official of the department had any communication with any official of the government of the United States concerning any proposed activities to be carried out in Canada by, or under the direction of, the special operations research office of American university—

And so on. That is not the question I asked at all. The question I asked had to do with an investigation by the Pentagon into alleged danger spots including Canada, a most unusual course for any foreign nation to take. When the Prime Minister's office was asked about this yesterday the answer was "We never heard of it". That is what the press reports.

I now ask the Prime Minister to given an answer to the question I asked, which is quite different from that asked by the hon. member for Kamloops.

Mr. Pearson: There was another question on the order paper, question No. 590, on this specific point. I admit that question No. 689 might not have been exactly on the point raised by the right hon. gentleman. However, I do not mind answering a starred question at this time. We might be able to add something to the reply tomorrow, the answer is not finally prepared.

The answer is: There has been no communication with any official of the government of the United States about any proposed activities to be carried out in Canada by or under the direction of the special operations research office of American University, and inquiries I have made indicate that no official of my department has at any time received any proposal concerning such activities by American University from any official of the government of the United States. That is in answer to starred question No. 689.

Question No. 590 asks:

> 1. During the last few years, have socio-psychological investigations been conducted by or on behalf of the American military authorities in Canada?

The answer to that is, no. The question continues:

> 2. If such is the case, has the Canadian government been consulted or informed about them, or has it participated in these investigations?

The answer to that is "Answered by 1 above".

Mr. Diefenbaker: I thank the Prime Minister for that answer. I now ask the question directly; did the Pentagon at any time, or anyone on behalf of the Pentagon, or did Mr. McNamara, the United States Secretary of Defence, have any communication with the government of Canada regarding an investigation being conducted into certain parts of Canada designated by that investigation as danger spots?

Mr. Pearson: No. To my knowledge no such communication has been sent or received, but that is exactly what we are looking into to make sure that no official or no member of the administration has received any such

request. I have no knowledge of it. The Secretary of State for External Affairs has received nothing. To the best of our knowledge no such request has been received.

Mr. David Lewis (York South): Will the right hon. gentleman inform the house whether he is aware that such an investigation as was referred to by the Leader of the Opposition has been made by some Americans? Has the government investigated who has been making these inquiries and for what purpose?

Mr. Pearson: I do not know what Americans have investigated what. I am talking about official communications between the two governments.

Mr. Speaker: Order. It seems to me the hon. member was making a statement rather than asking a question.

Mr. Stanley Knowles (Winnipeg North Centre): May I ask the Prime Minister whether there have been any communications on this matter from the government of Canada to Washington, regardless of whether or not communications have been received?

Mr. Pearson: To my knowledge, no; but if there is anything we can discover between now and tomorrow to add to what I have said, I will let hon. members know. We have no information about any such request or about any exchange of information between the two governments or between the Canadian government and the American University.

NATO—SWEDISH PROPOSAL RESPECTING NON-DISSEMINATION TREATY

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. Is Canada supporting the initiative of Mrs. Myrdal, the spokesman for Sweden at the 17-nation disarmament conference, in which she called on the nuclear powers to remove the major obstacle to a non-dissemination treaty, namely the proposals for nuclear sharing in NATO?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I thank my friend for giving me notice of his question. As he knows, Canada has been considering the proposed non-proliferation agreement and we have supported the position taken by the western powers with regard to a non-proliferation treaty.

[Mr. Pearson.]

I have seen a report of the remarks attributed to Mrs. Myrdal, the representative of Sweden, and I am advised that the report is not an accurate one, that she did not say that the nuclear sharing arrangements of NATO necessarily stood in the way of such an agreement. My own view, in so far as any proposals for nuclear sharing in NATO are concerned, is that they do not in my judgment warrant the view that they prejudice the realization of a non-proliferation agreement.

LABOUR RELATIONS

ONTARIO—REQUEST FOR INTERVENTION IN TRUCKING STRIKE

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to direct a question to the Minister of Labour and ask him what report he can now make of progress respecting the dispute of truckers in Ontario.

Hon. J. R. Nicholson (Minister of Labour): It is not a very encouraging one, Mr. Speaker. As a result of some developments over the week end, negotiations which seemed to have been proceeding reasonably satisfactorily last week appear to have broken down. I am awaiting a further report which I have requested.

Mr. Starr: In view of this unsatisfactory progress, as the minister now admits, will he not lend his good offices to an endeavour to bring the disputing parties together and effect a settlement? I say that because of the fact that this strike has been so prolonged now, and strife is evident in many instances.

Mr. Nicholson: Mr. Speaker, this is a legal strike. It comes within the provisions of the Industrial Relations and Disputes Investigation Act. When I receive the report, then I will consider it. It is my responsibility under the act, and I still do not feel that it is appropriate to take action at this time.

CANADIAN BROADCASTING CORPORATION

REPORTED STRIKE DEADLINE BY WRITERS AND PERFORMERS

On the orders of the day:

Mr. Barry Mather (New Westminster): I wish to direct a question to the Secretary of State in her capacity as minister reporting for broadcasting in Canada. I see she is out of the house just now; perhaps her parliamentary secretary could take this as notice. Bearing in mind the reported two week strike

deadline set by C.B.C. writers and performers, could the minister make a full statement with reference to this situation?

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, I shall take the question as notice.

[*English*]

TRADE

MATTERS TO BE DISCUSSED AT CANADA-U.S. MINISTERIAL MEETING

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): I should like to direct two questions to the Minister of Finance. Both deal with the agenda for the discussions in Washington on March 4 and 5 between representatives of Canada and the United States. The first has to do with the securities exchange commission. Is the question of the establishment of a national securities commission in Canada to be discussed with the United States in the light of the recommendations of the Porter commission? Second, does the agenda contemplate a discussion of the relationship between the national energy board and the federal power commission in the light of the obligation to move gas from western Canada to eastern Canada through the United States?

Mr. Speaker: Order, please. May I point out to the hon. member that the estimates of the Department of Finance will be considered later this afternoon and that the points raised in this question might be discussed at that time.

TRANSPORT

REQUEST FOR CHANGE IN CLASSIFICATION OF RADIO OPERATORS

On the orders of the day:

Mr. J. R. Keays (Gaspé): I have a question for the Minister of Transport. Having in mind the imminent danger of a staff shortage of radio operators would the minister impress on his colleague responsible for the Civil Service Commission the necessity for changing the structure of the class of the civil service commonly known as radio operators, this step having been delayed now for three years?

Mr. Speaker: Order, please. Perhaps this question could be placed on the order paper.

FISHERIES

SEALS—INQUIRY AS TO AMENDMENT OF REGULATIONS

On the orders of the day:

Hon. H. J. Robichaud (Minister of Fisheries): Yesterday the Leader of the Opposition addressed a question to the Prime Minister, asking whether there has been any effective change in the regulations so that Canadians may be assured that cruel and inhumane practices may end in the sealing industry.

As I have indicated in the house on previous occasions, there have been gross exaggerations in press articles referring to the inhumane killing of seals. With the advent of an air operation a few years ago, many persons who were inexperienced and new to the operation entered it and I have no doubt this could have resulted in some inhumane or improper practices. No experienced sealer would undertake to skin a live seal nor could it benefit him in any way to do so.

In this regard I have received in recent months a number of letters from S.P.C.A. officials, representatives of humane societies and others who have made a point of seeing for themselves the sealing operations in the gulf of St. Lawrence. All, almost without exception, have agreed that the Department of Fisheries has introduced effective changes in the regulations with a view to preventing any cruel and inhumane killing during the seal operation. It is also recognized that adequate measures have been introduced to preserve the seal herds for future profitable operations.

Only a few days ago I received a letter sent by the three major companies operating ships in the sealing industry in the Gulf area stating that a widely publicized film of sealing operations shows completely false scenes designed to create the impression that the sealing industry uses cruel and inhumane killing methods. Among the regulation amendments last year was a specific prohibition against skinning live seals. This regulation is, of course, continuing in effect during this year's operations. There are this year specific regulations designed to control killing methods.

In 1965 we had a specially selected team of fishery officers supervising the operation. Such a team will again be operating this year. Each sealing vessel will have an officer on board during the entire operation. Aircraft operations will be supervised by officers at land bases and on aircraft patrol. Representatives of conservation and humane societies

will visit the site of sealing operations in the gulf of St. Lawrence, with the assistance of our patrol officers.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in commending the Minister of Fisheries for his very full report I suggest that he might look at the March 5 issue of *Maclean's* magazine, which carries an article dealing with the skinning of live seals. I would ask him to look at that; possibly he would then have further information in this connection.

Mr. Robichaud: I shall certainly do this, Mr. Speaker. Furthermore, I wish to inform the house that it is my intention on opening day, March 7, to be on the ice myself and see personally what is going on.

Some hon. Members: Hear, hear.

[*Later:*]

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, I should like to direct a question to the Minister of Fisheries and I regret I failed to get it in as a supplementary. What precautions are being taken to see that helicopters and planes do not fly over the seals while they are giving birth to their young?

Mr. Speaker: Order, please.

Mr. J. R. Keays (Gaspé): Mr. Speaker, because of my deep concern for the welfare of the Minister of Fisheries, would he advise the house whether he intends to land on the iceflows and how long he intends to stay there?

ACTIVITIES OF PATROL BOAT IN BAY OF FUNDY

On the orders of the day:

Mr. J. P. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, I should also like to direct a question to the Minister of Fisheries before he heads for the sealing grounds. I should like to have some information on a problem closer to his home and mine. In view of his recent announcement that a patrol boat is to be built at Meteghan for patrol duties in the waters of the Bay of Fundy, I would like to ask him whether the patrol boat is to keep New Brunswick fishermen away from Nova Scotia waters or to continue to keep Nova Scotia fishermen away from the New Brunswick shore?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, all four Atlantic provinces are part of Canada.

[Mr. Robichaud.]

WATER RESOURCES

PEMBINA RIVER—INQUIRY AS TO COMMISSION REPORT

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Is he now in a position to give me an answer to the question I asked yesterday with regard to the report of the International Joint Commission respecting development of the Pembina river project in Manitoba and North Dakota?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the International Joint Commission, through its chairman, has informed me the matter will be discussed at their meeting in Washington at the end of this month. At that time the commission expects to receive additional information to supplement the earlier report of the international Pembina river engineering board.

NATIONAL PARKS

REQUEST FOR IMPLEMENTATION OF RECREATIONAL PROGRAM

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources. Because of the growing pressure on our park resources, and particularly in the light of the current representations from the government of Alberta, would the minister use his good offices to encourage the government of Canada to implement the recreational park program that has been under consideration for the past four years?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I want to acknowledge the receipt of a brief from the province of Alberta in respect of the national parks in that province. It is too large a brief for me to make a detailed response today. I shall later, but I thought it was an unusual brief because I find that with respect to the total park space in the provinces, combined federal and provincial parks, the province of Alberta is in third position because it has not provided provincial parks to any degree whatsoever.

The matter that the hon. member raises will certainly be viewed in the light of the representations made by the province of Alberta.

ADMINISTRATION OF JUSTICE

REQUEST FOR ROYAL COMMISSION TO INVESTIGATE CRIME

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I should like to direct a question to the Minister of Justice. Particularly in view of the fact that consideration of his estimates has been adjourned, would he and the government be prepared to accept the suggestion of the minister of justice of the province of Quebec that the only way to find out the real leaders of crime in Canada is to set up a royal commission to investigate crime?

Mr. Pickersgill: What about Nielsen?

Mr. Speaker: Order, please. This is a question which seems to be of a very general nature and not the type that should be allowed at this time.

Mr. Woolliams: Perhaps I can make it very specific. Is the minister prepared to set up a royal commission to investigate crime in this country?

Hon. Lucien Cardin (Minister of Justice): Mr. Speaker, the hon. member, of course, knows that last autumn there was a federal-provincial conference of the attorneys general at which we discussed the whole question of crime. That conference is to resume later this year. But it may be significant to note that the attorney general of the province of Quebec did not mention anything about a royal commission at the meeting last autumn, and so far I have given no consideration to that suggestion.

[*Translation*]

[*Later*]

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

Is the minister willing to consider the Quebec Justice Minister's suggestion concerning the establishment of a Canadian Interpol?

[*English*]

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, a committee was agreed upon at the federal-provincial conference to consider the question of Interpol and it is still meeting regularly.

AIR CANADA

WINNIPEG—REPORT OF INQUIRY RESPECTING MAINTENANCE BASE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Transport. Can he do today what he said yesterday he would try to do today? Can he tell us where the Thompson report is?

Hon. J. W. Pickersgill (Minister of Transport): Yes, Mr. Speaker. Most of it has been completed and is being translated. I am informed the concluding sections are still being prepared but it is expected they will be ready very shortly and as soon as the document has been completely translated and printed it will be presented to the government. It is felt this is the wisest course to take because it is assumed there will be some general interest in the report. I might commend to other commissions the practice of having their documents translated as they go along.

Mr. Knowles: As a supplementary question, will it be tabled as soon as it has been presented to the government?

Mr. Pickersgill: Of course the commission is to report to the Governor in Council and I would think the Governor in Council should be allowed to exercise a certain measure of judgment and discretion in this matter. But in view of the avid interest of a great many people I would imagine it would be hard not to satisfy that interest.

[*Translation*]

FAMILY ALLOWANCES

INQUIRY AS TO POSSIBLE INCREASE

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 following his meeting with the Premier of New Brunswick in Toronto over the weekend. Could he tell the house whether he has promised to support New Brunswick's fight against poverty and to increase family allowances in the near future?

[*English*]

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 direct a question to the Minister of National Revenue. On February 15 I asked him what steps he was taking to have refunds made to employers who oversubscribed in their contributions to the Canada Pension Plan. Has the minister anything further to say in this regard? My question arises again because of the great

number of representations received and in view of the fact that there is about $5 million involved.

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, a method of making such refunds has not yet been found by my department. I think this does not indicate any laxity on our part, because in the United States they have been looking for 20 years for a method of making such refunds.

[*Translation*]

LABOUR CONDITIONS

WINDSOR—PROSPECTIVE LAY-OFF OF FORD WORKERS

On the orders of the day:

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, yesterday, the hon. member for Waterloo South (Mr. Saltsman) put a question to me concerning lay-offs in Windsor.

I wish to inform him that two representatives of the Department of Citizenship and Immigration and the Department of Industry are in Windsor at present. They were to meet both parties today; as a matter of fact, I believe they were to meet the officers of the company this morning and those of the union this afternoon. Those two representatives will submit a report without delay.

[*English*]

Mr. Max Saltsman (Waterloo South): Mr. Speaker, I would like to thank the minister for his reply to the question I asked yesterday but I would ask him whether he can assure the house that no lay-offs will take place while negotiations are proceeding.

[*Translation*]

Mr. Marchand: Unfortunately, Mr. Speaker. I am not in a position to give such an assurance to the house, because I have no authority to do so.

[*English*]

SHIPBUILDING

BRITISH COLUMBIA—REQUEST FOR FURTHER CORRESPONDENCE RESPECTING SUBSIDIES

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to address a question to the right hon. the Prime Minister arising out of his tabling the other day of a letter which he wrote to the Premier of British Columbia concerning the shipbuilding subsidies on vessels constructed for the province's ferry services. In view of a reported suggestion of the Premier of British Columbia that his reply to the Prime Minister's letter should be tabled in the house, will the Prime Minister agree to do this and if he has written a reply to the reply would he also table that?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, I will be very glad to do that.

SHIPPING

ST. LAWRENCE RIVER—ARRANGEMENTS FOR MEETING RESPECTING SAFETY

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, may I address a question to the Minister of Transport relating to the intended meeting regarding safety measures on the St. Lawrence river. Could I ask the minister whether arrangements definitely have been made for such a meeting, and whether the minister is going to attend?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, what is proposed is a series of meetings on various topics. The minister's attendance will depend on all the circumstances involved. Consultations are now going on with all interested parties, I am informed, in respect of the matter.

Mr. Howard: Mr. Speaker, may I ask a supplementary question. Am I to understand that the minister has not decided not to attend and that it is still an open question so far as he is concerned?

Mr. Pickersgill: Yes, it is an open question. I doubt that the minister would be likely to attend all meetings.

POST OFFICE DEPARTMENT

ACCEPTANCE OF MAIL BEARING RHODESIAN STAMPS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I would like to direct a question to the Postmaster General. Can the minister tell the house whether the Canadian postal services are accepting mail bearing the stamps of the provisional or *de facto* government in Rhodesia?

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, they are not.

[*Translation*]

AGRICULTURE

REQUEST FOR ANNOUNCEMENT OF DAIRY POLICY

On the orders of the day:

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, I have a question for the

Minister of Agriculture concerning the new dairy policy. As the new dairy year is starting in a few days, is the minister in a position to tell us where we stand in the count-down before the launching or the placing into orbit of the new dairy policy which is intended to guarantee Canadian milk producers a minimum price of $4 per hundredweight for industrial milk.

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. H. E. Gray (Essex West) moved that the first report of the standing committee on finance, trade and economic affairs presented to the house on Tuesday, February 22, 1966, be now concurred in.

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

Some hon. Members: No.

Mr. Gray: Mr. Speaker, I should like to suggest to the house that this report be dealt with in a way that would make it apply only to today's sitting of the committee.

Mr. Gilles Grégoire (Lapointe): That would be agreeable, Mr. Speaker.

Mr. Gray: It is for the purpose of hearing witnesses who have come from some distance.

Mr. Speaker: Is it agreed that the hon. member shall have leave to amend the motion to apply to one day's sitting only?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

SUPPLY

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

DEPARTMENT OF FINANCE

Administration—

1. Departmental administration including administration of the Guaranteed Loans Acts, the salaries and expenses of the inspector general of banks' office, and grants as detailed in the estimates, $3,862,800.

Mr. Sharp: Mr. Chairman, I do not intend to make any statement of substance at this time, but I thought as a means of expediting the work of the committee I should point out what is well known, I think, to most members and that is that I am the minister responsible for the Department of Finance and also the minister responsible for the Canadian Wheat Board. I suggest to the committee, in order to proceed in an orderly fashion, that perhaps we could deal with the items in the Department of Finance and then proceed with say the statutory item related to the temporary wheat reserves and there discuss the administration of the Canadian Wheat Board.

Mr. Starr: No, Mr. Chairman. I think we should proceed as we always do on these estimates, that is, take the first item and then proceed consecutively until we complete the department.

Mr. Sharp: Mr. Chairman, perhaps the hon. member did not understand that under the finance estimates there is nothing dealing with the Canadian Wheat Board and I am suggesting I am quite ready, after dealing with the finance estimates, to proceed with some item which would enable us to discuss the operations of the Canadian Wheat Board. In the 1966-67 estimates there will be transferred to my administration certain statutory items which appear now under the Department of Trade and Commerce. I thought this might be an orderly way of dealing with the discussion. This was my only suggestion.

Mr. Nasserden: I think it would be desirable if we were allowed to discuss the Canadian Wheat Board on the first item of the Department of Finance as well because this is the minister who is responsible.

• (3:40 p.m.)

Mr. McIlraith: Mr. Chairman, the difficulty is that this item is included in another department. This suggestion was made to the committee in an attempt to overcome this difficulty.

Mr. Nasserden: I suggest there is no use quibbling about it because we are going to discuss that aspect in any event. The responsible minister is here in the house so surely we should be given the opportunity to discuss the wheat board under the first item.

Mr. McIlraith: Mr. Chairman, I made the suggestion only to be helpful to the hon. member for Rosthern, because the item before the committee does not relate to the subject at all. My suggestion would provide a formula which would give hon. members an opportunity to discuss the wheat board in this committee. That is what was being suggested.

The Chairman: Shall vote No. 1 carry?

Mr. Sharp: Mr. Chairman, I should be glad to start with the Canadian Wheat Board as I know there is going to be discussion of this subject. I am quite happy to take part in that discussion and I have no objection to dealing with the Canadian Wheat Board at this time. If that is what we are going to do I should first like to make a brief statement.

The Chairman: Order, please. Does the committee agree that we should now discuss the wheat board?

Some hon. Members: Agreed.

Mr. Olson: Mr. Chairman, on a point of order, will it be necessary to call an item in the estimates of the Department of Trade and Commerce in order that this subject can properly be discussed?

Mr. Sharp: Mr. Chairman, the items relating to the Canadian Wheat Board which now come under my jurisdiction are statutory items. They are not callable in the ordinary sense but are subject to statutory approval. It was in an effort to help the committee in dealing with the estimates of the Department of Finance as such and the estimates of the Canadian Wheat Board later that I made my first suggestion. I have no objection to whichever way the committee wants to handle the matter but if we are going to deal with the Canadian Wheat Board under the first item, which is a possible way of dealing with it, I want to make a short statement.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I believe it would be more sensible for us to start with the finance estimates since they are the estimates under discussion. Later, I will have no objection to coming back to the Canadian Wheat Board estimates. I believe we should start with the estimates of the finance department.

[*English*]

Mr. Diefenbaker: Mr. Chairman, we are trying to expedite things and the minister has shown a very great willingness to have this question discussed under item No. 1. If other members want to discuss other subjects under item No. 1 there is no reason they cannot do so. I can see no objection to the procedure suggested. We are trying to co-operate in bringing about a reasonably early examination which will not be unnecessarily lengthened. For that reason I think there must be general agreement that the wheat board can be discussed under item No. 1.

[The Chairman.]

The Chairman: Does the committee now agree that the wheat board can be discussed under item No. 1?

Some hon. Members: Agreed.

Mr. Sharp: Mr. Chairman, I should like to deal in this brief statement with the question of procedure raised the other day when I followed what I considered to be sound parliamentary practice in attempting on motions to table the order in council in which the government approved the final payment by the wheat board, and the press release made by the Canadian Wheat Board that day. Members of the opposition in remarks made outside the house accused me of arrogance, cowardice and some other attributes that I am a little too modest to recall at this time. May I be permitted to plead not guilty and to explain why I followed the procedure I did.

I followed this procedure for what I consider to be excellent reasons and reasons which I believe should appeal to the house. Since taking responsibility for the Canadian Wheat Board in 1963 I have been very much concerned about establishing the respective responsibilities of the Canadian Wheat Board under the Canadian Wheat Board Act and the responsibilities of the minister who answers for the wheat board in this house.

Hon. members will perhaps recall that when I took over responsibility for the Canadian Wheat Board I made a very significant change in the method of dealing with that board. Originally there had been a tendency, particularly under the previous administration, on the part of the minister which caused a good deal of confusion as to his responsibilities and the responsibilities of the Canadian Wheat Board. I was not here to listen to the statements but it is very difficult in reading what was said by the minister who was responsible at that time to determine whether he was boasting about the achievements of the Canadian Wheat Board or taking credit for them.

When I took office I decided I was going to attempt, if I could, to clarify this relationship in the minds of the farmers, members of parliament and the public at large. The form of the first announcement I made in this house relating to the wheat board was very different from any announcement made previously by any minister responsible for the Canadian Wheat Board, and I went back through the records to see what the practice had been. In the first statement I made, and I have adhered to this form every since, I said that the Canadian Wheat Board was that day

making a certain announcement in Winnipeg. In doing so I was very much influenced by the views of the advisory committee to the Canadian Wheat Board.

The advisory committee to the Canadian Wheat Board is composed, as hon. members at least from the west know, of some of the most eminent leaders of the farming community in western Canada, as I recall it, the presidents of the three western wheat pools, the president of the United Grain Growers and representatives from farmers' unions.

I should like to state what those eminent gentlemen suggested because it is pertinent to the procedure I have been following consistently in this house. I am sorry I have not got the date of their suggestion but it was that when the board has any payments to make these announcements should be made by the board and not by the minister, the minister, because if the government makes the announcement the producers get the idea they are receiving government money. Therefore I have been very careful in all the statements I have made to make it clear to the western farmers that the Canadian Wheat Board is their agency responsible to them and that the minister does not interfere with the operations of that board.

On many, many occasions, Mr. Chairman, I have made that fact quite clear in this house. Indeed, hon. members will recall the first statement I made in the house when I announced the conclusion of the first agreement, made while this government has been in office, between the Canadian Wheat Board and Communist China. At that time I said the credit for this went to the wheat board and not to me. This caused a great deal of comment in western Canada to the effect that for the first time a minister responsible for the wheat board was giving full credit to the wheat board, which deserved the credit. This related to that first transaction and to the transaction which preceded it in respect of which the hon. member for Qu'Appelle made a trip to Hong Kong in an attempt to get in on some of the credit for that great transaction.

• (3:50 p.m.)

I therefore decided on this occasion to carry this process of administrative clarification one step further, because on the previous occasions when I had been making these announcements all I said was "the Canadian Wheat Board is today making the following announcement in Winnipeg". Therefore I decided that, rather than cause any further confusion as to the relationship between the minister and the board, the best thing, the sound parliamentary practice under the circumstances, was for me to table in the house the statement made by the Canadian Wheat Board that day. My reading it into *Hansard* made no difference to the statement and if I read it, it would appear that I was somehow taking responsibility for some announcement of government policy. There was no government policy involved. This was simply a statement by the Canadian Wheat Board of the results of their operations during the crop year 1964-65.

This was not arrogant nor was it intended to be arrogant; nor, may I say, have I any qualms at all about discussing this announcement on these estimates or at any other time. This is the time to discuss these things. I answered questions about the announcement in the house that day; I was ready to answer as many as were put to me.

May I say in conclusion that there is no suggestion that I was trying to duck any responsibility. That was the farthest thing from my mind. I think that in the very difficult circumstances that prevailed with respect to the marketing of the 1964-65 crop the Canadian Wheat Board did an excellent job.

Mr. Jorgenson: They did but you failed miserably in your responsibility.

Mr. Hamilton: Mr. Chairman, we all have some responsibility to get these estimates through in view of the impending end of the financial year. However, I must observe in all frankness that the minister's statement today indicates that he has no political judgment either out in the country or in handling the feelings of members of the house with regard to our responsibilities to the people of Canada.

The argument put forward by the minister today in his opening statement is nothing more nor less than a political argument that has been fought in western Canada since the change of government in April, 1963. We in western Canada gave our answer loud and clear last November 8 with regard to how we felt about the arguments of the minister.

Some hon. Members: Hear, hear.

Mr. Hamilton: The minister has made two main points. One is that he has tried to establish in the minds of the public the

respective responsibilities of the Canadian Wheat Board and the minister in charge of that board. All I can say in reply to that argument is that it goes back to the same sort of thing we had to endure from ministers of Liberal governments from 1945 right up to 1957.

I refer to the attitude that the Canadian Wheat Board is a separate power unto itself, that it has no responsibility to the people who set it up. This attitude is completely erroneous and morally wrong. The farmers have put their fate in the hands of the Canadian Wheat Board and the only place they have for their views to be represented effectively is this House of Commons. We do have an advisory committee but every member of that committee with one exception is a representative of the various organizations dealing with grain. The one exception is the man we always appoint as a matter of tradition, a farmers' union representative.

I point that out because the political issue raised by the Minister of Finance today must be given an answer once and for all. The people have accepted and like the idea of the wheat board marketing their grain. They recognize that it is a socialistic type of operation, they recognize that they have given up their freedom in this regard, but they do expect somebody and some organization to speak for them. This point has to be realized by the minister. This is where a previous minister and his deputy minister let us down. The actions of Mr. Howe, or his lack of action, were what destroyed not only Mr. Howe but Mr. Gardiner.

Mr. Sharp: I thought it was the pipe line.

Mr. Hamilton: If you go back and read Mr. Gardiner's statements made in the west during the five or six years before 1957, you will find that over and over again he begged his farm audiences not to blame him for what Mr. Howe was doing but to point the finger at Mr. Howe. I do not know what Mr. Howe's personal thoughts were. All I know is the end result of the type of action he carried out and that was a lack of interest on his part in the Canadian Wheat Board and a lack of defence of the farmers' interests.

To be precise, Mr. Chairman, what are the farmers' interests? Once you commit yourself to a controlled system of marketing grain such as we have under the Canadian Wheat Board there has to be a tremendous amount of constant, daily effort to see that the farmers' interests are not harmed. Let me give the minister a few examples. First of all I refer to the question of box cars. The wheat board has no power under any act to control the railways of this country. The wheat board has no power really under the act to control the grain companies, and in grain companies I include the pool and private elevator associations.

One of the first things we did as a government was to have a westerner, Mr. Bracken, look into the question of box car allotment. He made certain recommendations. I do not want to go into the details of box car allotment but I raise it as an example of the wheat board not having the power to deal with the problem, and this situation was responsible for the rising antagonism against them in 1956 and 1957. This was due to the indifference of Mr. Howe and all those around him, an indifference which was costing the farmers money.

Everybody knows that when the farmers tried to protest to Mr. Howe the only chance they got to do so was at public meetings. I am thinking, for example, of the meeting held in Manitoba when Mr. Howe poked a farmer in the stomach and said, "You don't look too badly fed". This was the type of attitude that set the west in rebellion. During the last few years this minister and his predecessors have been guilty of the same crime against western farmers and the wheat board as was Mr. Howe.

Let me give some examples, Mr. Chairman. Under the Canadian Wheat Board Act there is nothing—the minister is quite correct in this—that lays down what the minister shall do precisely. Really the minister has only to report to the house. The minister is quite right in interpreting the act in that way. But the way the matter has worked out is that the minister must take an interest in the Canadian Wheat Board; he must protect the interests of the farmers. The only way he can make the wheat board system work in a humane, non-discriminatory way is by cooperating with the wheat board on several intimate matters.

Here are two examples of the kind of thing in which the minister must take an active interest in his relationship with the Canadian Wheat Board. One is the domestic handling of grain. For many years there has obviously been a problem with regard to box cars. It is not a new problem. The wheat board has no power in this connection. All they can do is call in the representatives of the railways and terminal management and say to them,

please do certain things and reach certain objectives, but they have no power. But if a minister of the crown is in attendance when the Canadian Wheat Board meets the representatives of the railways or the operators of the terminals and listens to the discussion and is prepared to act, you can get action.

No one wants to take on the power of the Canadian people even if he is running a railway or a grain terminal. I know how necessary it was to use the prestige of the people of Canada to get grain moving. It would not have moved if the laissez-faire, drifting policy of the minister had been followed.

Mr. Sharp: May I ask the hon. member a question? How much grain did he move in the greatest year?

Mr. Starr: You never moved any.

Mr. Hamilton: The minister will not learn anything. If the minister wants to learn something he should listen.

Mr. Sharp: I am listening.

Mr. Hamilton: The other day the minister was too frightened to stand up and take a two minute tongue lashing which he deserves. He ran away from that fight.

Mr. Sharp: I am quite happy.

Mr. Hamilton: I wish the minister would keep quiet and listen to me. It is about time somebody put him where he belongs. I was mentioning box cars. In 1961 I was advised by the Canadian Wheat Board, the terminals and the railways that we could not move enough grain through the western ports to handle the sale to China. This was the official advice which I received from everybody. I went to each one and in turn said, what is the reason? Each one blamed the other. This is a matter of tactics which has been developed over the years. When I was the minister I did not sit back and do nothing. I called the 17 organizations together in the early spring of 1961. We had a meeting and I made them voice their criticisms of each other face to face. For the first time the men working in the terminals and on the docks and their employers were able to see each other face to face. They gave their reasons and as a result of that meeting they were able to assure me that they could boost the capacity of the west coast ports by 33 per cent without spending a single dollar of their money or anyone else's.

Not only did they do that but in January, 1964, they moved 29 million bushels in one month through these ports. This shows what co-operation can do there. However, let me tell the minister that if it had not been for the minister of that time sitting right down with the railways and the terminal operators and listening to their discussions, there would not have been that co-operation. They did not want to take on the federal government.

In the year 1962 we had another problem with box cars. Once again the wheat board met, as it has to do, with the railways and tried to bring about movement of grain. They met again and I believe they met a third time. If my memory serves me correctly this third meeting was on a Wednesday. Then a telegram signed by the minister was sent to both railways, with a copy to the Canadian Wheat Board, saying, even though we are reluctant to set up a transport controller we will do so if you do not move the grain. The telegram was sent on Thursday and you never saw so many box cars in your life as had rolled into western Canada by the next Tuesday.

Mr. Sharp: There have been more since.

Mr. Hamilton: I am trying to get across to the minister, if he will only learn, that what the farmers expect from the minister now is action and not drift. They got box car movement then and they got the grain moved. I just use that as one example, Mr. Chairman. Let me give the minister a second one.

We had an innocent Minister of Agriculture stand up in this house two weeks ago and read a statement regarding quotas in western Canada. This is none of his business actually because the wheat board is under the Minister of Finance, but that poor sucker, if I may use that word, did not even know the significance of telling us that some farmers were on a one bushel quota and others were on six. This is a discrimination that the western farmer protested against from 1950 to 1957. We got rid of most of it but you cannot eliminate all of it. Now the criticism is rising to a new crescendo. What does it mean to most people to say that one farmer is on a one bushel quota and another farmer is on a six bushel quota? If you live in those areas you will learn what it means. The farmer living on one railway line who has a six bushel quota is able to deliver six times as much wheat as the farmer living on another railway line who has only a one bushel quota.

If you do not understand the pressure that arises because one farmer who has 600 acres is allowed to deliver only on a one bushel quota while another farmer who has the

same number of acres can deliver on a six bushel quota, let me explain it. Just imagine the pressure from his creditors, just imagine the pressure from his wife. There is nothing so depressing as curtain lectures. I hope the minister is beginning to see that the farmers expect from him a day by day interest in these quotas and once again I put it to the minister that the wheat board cannot handle this matter alone. Can the wheat board call the President of the Saskatchewan Wheat Pool or the presidents of the line elevator companies and say, your boys have not got their orders in for cars. The minister should know that the grain companies have an interest in keeping their granaries filled. He should know that somebody who has power has to call them on the telephone and say, look, on that line your orders are down; you are responsible, not the wheat board.

Another time you look at the situation and find that the railways have not been doing their job. Can the wheat board call up the heads of the C.P.R. or the C.N.R. and point out what is going on? Can the wheat board say, If action is not forthcoming we will be prepared to take action? The wheat board has no power. To be completely fair about it, the wheat board sometimes slips up in allocating shipping orders. I kept a chart in my offce showing the 1,900 shipping points in the west. I knew every day where there was discrimination and if it developed too much along one line there was action taken. Sixty per cent of my time as minister was spent working with the Canadian Wheat Board. In my time we reduced the number of criticisms of the Canadian Wheat Board in the form of phone calls and mail from hundreds to a trickle.

Now you go through western Canada and hear the criticism of the wheat board that has developed and you ask these farmers who is the best friend of the wheat board. If the minister does not take the blame the only person left to take the blame is the wheat board. The best feature about the wheat board system is the man who steps in the breach and takes all the blame. I took the blame as minister on many occasions for the Canadian Wheat Board and kept the pressure off them. I put the blame right on you, the minister, because you have not defended the wheat board on these matters of life and death to these farmers in their and their families' daily living.

I could speak for an hour on where the failures have occurred but this is enough as a domestic example. I have given some examples where the minister has to enter the picture, defend the wheat board, get action from the railways, get action from the grain companies, and make sure the grain is moving in the interests of the farmers.

Let us take another altogether different type of duty of the minister which is not in the act. The minister knows that we are a party to the International Wheat Agreement and he knows that every three years the agreement comes up for renewal. He knows that the principle is that when the price during the last part of the agreement has been near the top level or maximum you expect to negotiate the next minimum and maximum slightly higher to allow the law of supply and demand to work. Here we have a situation where the International Wheat Agreement ran out in 1964. It has been renewed on a one year basis three times since. Not one organized move has been made, so far as anyone in western Canada knows, by the Canadian government through the minister to gather information on the International Wheat Agreement and seek a new range of prices for the next three years.

We got the price up 12½ cents in U.S. funds both on the floor and on the ceiling after weeks of hard fighting. Finally we forced the United States authorities to agree. We asked for 25 cents and by sheer persistence we got 12½. When world demand was strong in the last three years, the prices should have been raised. In this respect the minister is responsible for taking the lead. This is one of the things not laid down in the act. Surely it is the responsibility of the minister to work in a way to help the nation.

In 1957 when the government changed the then prime minister went to Washington to meet with President Eisenhower. One of the main subjects of discussion was the effect of public law 480 of the United States government with respect to the sale of our wheat in commercial markets. President Eisenhower was appalled at what he thought his country was doing to an ally. At that time an agreement was made between the President of the United States and the Prime Minister of Canada to the effect that there would be no more cutting of each other country's throat in commercial markets of the world. In that respect a gentlemen's agreement was reached.

Pursuant to that gentleman's agreement quarterly meetings are held between United States officials and Canadian officials to clear

away misunderstanding with regard to transactions or anything else of importance that may come up. When President Kennedy took over in 1961 that oral gentlemen's agreement between the head of a great state and the representative of the Canadian government was renewed.

That agreement worked well for us in 1962 when France moved 200 million bushels on to the world market at 25 cents below normal French prices. The United States reduced its price by 25 cents and the Canadian Wheat Board recommended that we follow suit. There is nothing in the act that allows a minister to interfere with the wheat board in setting prices but the minister knows as well as I do that I did not allow the wheat board to drop its price by 25 cents.

I asked the wheat board to hold up everything until I had talked with the responsible United States minister. After I finally reached him late on Sunday evening the price which had been reduced by 25 cents at the close of business on Friday was put back on Monday morning to where it had been. The Minister of Finance knows that the United States official in doing what he did not only was guilty of breaking a gentlemen's agreement between the heads of two governments but he also had run afoul of the decision made under the International Wheat Agreement and under GATT. I say that there is nothing in the act that states that the minister in charge of the wheat board has any power—

Mr. Sharp: May I ask a question for clarification?

Mr. Hamilton: Yes.

Mr. Sharp: Is the hon. member saying that this was in breach of the International Wheat Agreement? That was what I understood had been the point at the time.

Mr. Hamilton: I am suggesting that there were three grounds for my protest. The main protest was under the political agreement between the two governments, which had been breached. I am also suggesting that because of the extent of the drop in price by the United States that country had put itself in jeopardy with respect to having broken through the floor under the International Wheat Agreement. Another point which was not clear was that we had acted in a way which had infringed on GATT.

I make these points to illustrate that there is a job for the minister and that job is to protect the wheat board. A commissioner of the wheat board cannot approach the President of the United States or any one of his executives or ministers in his cabinet. Ministers of the government may do that. Ministers make the agreements and they have to honour them.

In concluding this part of my remarks may I say I know that the Canadian Wheat Board Act lays down none of the responsibilities I have talked about as being responsibilities or duties of the minister.

Today the minister began by saying that he had tried to make clear what the divisions of responsibilities were between the Canadian Wheat Board and the minister. I say that what he did was exactly nothing. He did nothing. The Canadian Wheat Board Act lays down no duties for the minister.

Mr. Sharp: But there are many duties.

Mr. Hamilton: What I have tried to do is show the contrast in the way the minister backed up the Canadian Wheat Board at the political level internationally and the way the minister backed up the wheat board at the domestic level thereby reducing complaints against it. I would suggest very strongly that the better friends of the Canadian Wheat Board were those who tried to make it work.

I have another example I wish to pass along. I want to conclude my preliminary remarks by talking about the sale to China. You can imagine Mr. Chairman, how tired one gets hearing a gramophone record saying over and over again that the Canadian Wheat Board sold wheat to China in 1961. How many times have I heard that either on radio, on television or in this house.

Mr. Diefenbaker: Nobody believes that.

Mr. Hamilton: The farmers do not believe it.

Mr. Sharp: It is true.

Mr. Hamilton: The minister says that it is true.

Mr. Sharp: I know it is true.

Mr. Hamilton: I want to tell the minister the facts of life. Can this minister who knows everything and who learns nothing say that the Canadian Wheat Board can sell grain on credit? It cannot sell a single bushel on credit and he knows it.

Mr. Sharp: I did not say that.

Mr. Hamilton: When the wheat board went to Peking for the second sale members of the board telephoned me. They said, "The Chinese want to buy wheat but they have no money". Can the minister say that the wheat

board could have done anything in those circumstances? I say it could have done nothing.

However, the negotiations were kept going for six long weeks. The members of the wheat board did not want to stay there particularly but nevertheless they stayed. It was my job as minister, as I saw it, and that of the cabinet to which I belonged to secure enough money to make credit sales possible. Not one bushel of wheat after the first cash sale could have been sold to China if we on this side of the house had not put our political life on the line and made available $100 million eventually in the form of a revolving credit.

Mr. Churchill: That is how the wheat was sold.

Mr. Hamilton: We were condemned for that sale over and over again by the Liberal party. That sale could not have been made without the tremendous experience and know-how of the officials of the Canadian Wheat Board. Over there there was no way for the minister to back them up. The minister had to go along with them and he had to be prepared to come into this house and take the abuse to which we on this side were then subjected.

When your son is called a communist because you are selling wheat to red China, when your party is castigated by the Liberal and Social Credit parties because you are selling wheat to China, when you are told by the then leader of the opposition who is now the Prime Minister that you are selling too much wheat to China on credit, it makes you think. I read speeches to this effect made in New Brunswick by-elections. I know the whisperings and rumours that went round Toronto and Montreal. The Liberal party ought to talk to the farmers with respect to the vile campaign of calumny in which the Liberals engaged. The farmers know something about this.

Some hon. Members: Hear, hear.

Mr. Hamilton: Do not try to tell the western farmers who sold the wheat. The western farmers will simply say to you that the Chinese know who sold the wheat.

Mr. Sharp: It was the Canadian Wheat Board.

Mr. Hamilton: There was a former line of kings known as the Bourbons who learned nothing and forgot nothing. C. D. Howe was a representative of the Bourbons and the minister is his successor.

[Mr. Hamilton.]

Mr. Sharp: And I am proud of it.

Mr. Hamilton: You are proud?

Mr. Sharp: You bet I am.

Mr. Hamilton: I know you are. You have ruined the Liberal party in western Canada for a generation to come. Jimmy Gardiner spent 40 years building up the most amazing political machine of force and inducement that Canada has ever known. The minister put that organization on the skids. The man who did more to destroy it than any other man is the Minister of Finance who is now in charge of the wheat board.

Some hon. Members: Hear, hear.

Mr. Hamilton: I know they will blame the loss of the next election on the appointment of Mr. Argue to the Senate, but that will not be the real reason. The real reason will be that the minister refused to back up the Canadian Wheat Board at the international and domestic level when it needed his backing. I wish to conclude with a personal observation.

Mr. Sharp: These have all been personal observations.

Mr. Hamilton: I know the minister is very happy about these remarks. He would not take them on Friday because he was frightened.

Mr. Sharp: Don't be silly. They would have been out of order.

Mr. Hamilton: All right. The minister is happy with his announcement. I want to conclude with some personal observations with regard to the minister and myself. After the government changed in 1963 the minister imagined himself as a new type of political know-how man. He was going to show everyone how to win political support. He started out on a campaign in western Canada to cut the previous minister of agriculture down to size. I have noted the innuendos in all those speeches of his which have been acknowledged by the genteel clapping of all the gentlemen of the grain exchange who came to hear him. I have known of every snide remark he made. He featured himself as a great new type of political person. He sat in his place as Minister of Trade and Commerce and lectured the Conservative party on politics.

Then he went on the campaign in 1965. He said he was accepting the challenge in the west and was going to increase Liberal strength there; whether by six seats or 12 seats

I do not know. He went out there. He started to canvass and speak. The first thing we knew was that meetings had been cancelled and he had run back to Eglinton to save his own seat. He now thinks that having done such a wonderful job in the west for the Liberals he will start out to lose the cities for the Liberals too. The type of delusion from which the minister suffers is only matched by people who live sometimes in institutions.

Some hon. Members: Oh.

Mr. Hamilton: There is something else—

Mr. Sharp: This is the non-personal remark, is it?

Mr. Hamilton: This is a personal one.

Mr. Sharp: The other one was not?

Mr. Hamilton: You have been very free in sneering at the efforts of the first government which did anything for the western farmers for years. You have been very free in trying to work up this alliance between the wealthy and the wise, in running down us poor prairie farmers—"cowboys", they call us. The minister has been very free with his superior intellect in slighting those of us who might have been green and awkward. At least we tried. I have listed two or three examples for the minister. If he does not want to accept these answers and wishes to continue this ping-pong battle about who is best for the west, I will yield, but I say to him: You are doing harm to more than the west; you are doing harm to all of Canada.

In 1963-64, according to the Canadian Wheat Board, we lost 100 million bushels in possible sales. Mr. Bentley of the Canadian Federation of Agriculture said only last week that we could have sold 200 million more bushels this year. I will take the word of Mr. Bentley over and over again. Then last Friday we heard an announcement that the final price had dropped from that of last year. A year ago the minister said we would not notice the drop because we were selling so many millions of bushels. He does not seem aware of the fact that the price of wheat is the same today as it has been for 50 years though the price of machinery has jumped in the last two years to the highest level in our history. The minister stated the other night on television that the farmers would be paid such huge amounts that they would not really notice the drop in prices. But let me point out that 300 million bushels in lost sales at $2 a bushel represents $600 million to Canada. On top of this there is the $60 million or $80 million we lost in the price drop last year.

The Deputy Chairman: Order. I regret to interrupt the hon. member but his time has expired.

Some hon. Members: Carry on.

The Deputy Chairman: Does the committee agree that the hon. member may have permission to continue?

Some hon. Members: Agreed.

Mr. Hamilton: I want to thank hon. members of the committee. I have hit as hard as I can today. This matter is very deep within me. I cannot defend myself except by saying that I am emotionally involved with these hundreds of thousands of people who found conditions very tough in the fifties. When I hear this talk about how wealthy the western farmers are and how we can take this loss of $70 million or $80 million and how we shall never miss this $600 million worth of lost sales I feel bound to protest. If the minister cannot be moved by my appeal to him on behalf of these people, he might consider what I have said as being for the good of the whole country.

Surely this amount of $700 million means something to the Minister of Finance whose greatest problem is the deficit in our international balance of payments. Surely $700 million in three years would make quite a difference in that deficit. Maybe in the interest of all the people of Canada, maybe in the interest of keeping prices down, maybe in the interest of raising the incomes of those who work in the steel plants or in the mines of the north he will reconsider his position and stand by and defend the wheat board both domestically and internationally and not leave the board alone and exposed as it is now. The minister says he has nothing to do with selling grain, that this is a matter for the board and that if mistakes are made there is no one to be blamed but the wheat board. We are trying to defend the wheat board system of marketing. Mistakes are bound to be made in such a complex operation and when they are made we think the minister should stand up and take the blame. Let him also stand up when sales are made and make the announcement. Surely hon. members have a right to be informed inside the house on these matters. They should not have to run to the press gallery to get information. Surely the House of Commons system means something to the minister.

I had no intention on Friday of saying anything like this on the minister's estimates but when the minister departed from the

traditional procedure of making announcements I had no choice but to stand up and let him know that not only do we not like it in parliament but thousands of people across this country feel that a fair chance is not being given for the expression of their interests in this house.

Mr. Greene: Would the hon. member permit a question? I just want to be sure that the record is straight, as I know that the hon. member with his high reputation would want it to be clear that the whole and entire truth was on the record. Does the hon. member state that it was not the wheat board which sold wheat to China during his term of office but that it was he himself who effected the sale?

Mr. Hamilton: I will tell the Minister of Agriculture that as one who preceded him in office I have no choice but to support him in everything worth while that he does. I want to thank him for speaking up for the farmers on his trip west, but please do not get mixed up in something you do not know too much about.

Mr. Greene: I take it the hon. member does not wish to answer that question and I hope the record so indicates.

• (4:30 p.m.)

Mr. Schreyer: Mr. Chairman, I would be surprised if this feud between the spokesmen for the Liberal and Conservative parties continued for a lengthy period. It has been going on for about two years but unfortunately it has resulted in no clarification. However, I hope that discussions such as this may lead to a review of the Act with a view to redefinition of the relationship between the wheat board and the government.

From a cursory reading of the legislation I understand the wheat board is a crown agency, autonomous in its day to day operations but subject to some degree of government policy direction. I believe there should be a redefinition because there is a great deal of misunderstanding and misapprehension in the minds of the public about the relationship of the board to the government. That should not be surprising since obviously there is misunderstanding among members of the committee.

The misunderstanding and misapprehension are so great that when some people, particularly urban dwellers, read about interim and final payments being made to wheat producers they think these payments are in the nature of a government subsidy. Why does this kind of misunderstanding arise? It must be because of misleading statements issued by the minister's office which are picked up by the press and headlined as final payments emanating from the government treasury. If the Minister of Finance has any desire to clarify the true relationship between the board and the government, and I believe he has, I wish him well in his task.

As its major function the wheat board has the task of selling wheat and other grain. How do the cabinet and the government enter into this function? It seems to me the board is entitled to assistance in arranging for long-term credits and things of that sort.

I find I must agree with the last speaker that up until 1960 or thereabouts Canadian governments were not prepared to back the wheat board substantially enough to provide long-term credit for prospective customers. That is why the board found it so difficult to carry out its work. To be fair and candid about the matter, I must give credit where it is due and it is due to the Conservative minister of agriculture and his colleagues in that as a matter of policy they arranged for long-term credit for prospective large customers such as China.

On the other hand, after giving such credit to the former minister I must say the impression left with western grain producers, I think almost deliberately, was that the sale to China was due entirely to the work of the Conservative government and in particular of its minister of agriculture. In fact, many people still hold that view, and I think it is noble of the present minister to avoid trying to take personal credit for any large scale sales. This is as it should be. But he should be frank and admit that prior to 1960 the board was not being given the kind of backing it needed at the highest political level in order to enable it to make sales.

I am sure the minister is aware that dissatisfaction among farmers in western Canada is due to the fact that prior to the 1962 election the minister's colleagues said it would be part of Liberal policy to ensure a $2 per bushel price for wheat. I am told the Prime Minister himself promised that, and I know that one person who has since been appointed to the other place made such a statement on more than one occasion. But when the Liberal government had an opportunity to fulfil that pledge it failed to do so and later the price fell.

In fact, we have the spectacle of a provincial leader of the Liberal party sponsoring

a resolution in the provincial legislative assembly asking the provincial government to call on the federal government to honour its pledge of $2 per bushel for wheat. Naturally there is considerable dissatisfaction on that point because the promise was made and subsequently broken. Now the final price to the producer is several cents lower than it was in the preceding year and this too is causing dissatisfaction.

The cost-price squeeze is being accentuated. We talk about a war on poverty, land purchase, land resale and so on, but with the kind of pricing practice being followed it seems there will have to be many square miles and sections of land purchased in western Canada and resold for consolidation unless the government takes some action, perhaps through a two-price system, to increase returns to producers. If it does not, low incomes and poverty will be more widespread than they are at present.

The third cause for dissatisfaction among western producers is the fact that sales of over 100 million bushels of grain, if not 200 million bushels, have been lost because Canada's transportation facilities are inadequate to move any more grain to the ports.

• (4:40 p.m.)

Farm organizations talk about the need for maintaining an adequate price, the need for a two-price system and the need for parity prices. In the past they were told parity prices were not possible because of the great surplus problem faced at that time. The fact of the matter is that the so-called surplus problem in Canadian agriculture is fast becoming a thing of the past. In a few short years there will be no such thing as a surplus problem of any longlasting duration. Therefore I hope that, if nothing else, the inadequacy of our transportation facilities in this country will go to demonstrate that we should have sold a lot more than we did in the past year if only we could have marshalled the facilities to deliver what we had been able to produce.

I harbour no malice or ill will toward the present Minister of Finance, the man in charge of the Canadian Wheat Board, but I do hope he will look seriously into the farm income problem even though he is not responsible for agriculture per se and then work together with the Canadian Wheat Board to see what can be done to raise grain prices to the western farmers.

[*Translation*]

Mr. Grégoire: Mr. Chairman, on item 1 of the estimates of the Department of Finance, I would like to raise today one of the most important problems affecting seriously the Canadian economy, not only at the national level, but also at the provincial and municipal levels—

The Deputy Chairman: Order. Order. Would the hon. member resume his seat?

I understand that hon. members have now more or less agreed to discuss the Canadian Wheat Board. As this seems to be the understanding, I wonder if the hon. member for Lapointe could make his remarks later on when the house is considering other items pertaining to the Department of Finance.

Mr. Grégoire: Mr. Chairman, since we are now considering item 1 of the estimates of the Department of Finance, we may deal with the problems facing that department. This is precisely what I am doing.

At the outset, when it was decided to consider this department's estimates, we said that on item 1, all the problems related to the Department of Finance could be dealt with. If other members wanted to bring up several matters, such as the Canadian Wheat Board, they were free to do so, but according to the procedure, you know it as well as I do, Mr. Chairman, when we are considering the first item of a department, we may discuss any problem concerning that department. We do not have to agree to a different arrangement on that point.

Therefore, Mr. Chairman—

The Deputy Chairman: Order. The hon. member for Provencher (Mr. Jorgenson) has something to say about the remarks of the hon. member for Lapointe.

[*English*]

Mr. Jorgenson: Mr. Chairman, in support of what the hon. member for Lapointe has said I should like to say that I think the understanding was that we would deal with item No. 1 in whatever way hon. members wished to deal with it and if some hon. members wished to talk about something other than the Canadian Wheat Board they would be at liberty to do so and those who wished to talk about the Canadian Wheat Board would also be at liberty to do so.

Mr. Olson: Mr. Chairman, I believe that the hon. member for Lapointe and the hon. member for Provencher are certainly correct when they suggest that many other matters

besides the Canadian Wheat Board can be discussed under item 1, but it seems to me there was general agreement that the Canadian Wheat Board would be considered under item No. 1 of the estimates of the Department of Finance as the first subject matter of discussion before going into other matters.

[*Translation*]

Mr. Caouette: Mr. Chairman, I think the agreement arrived at this afternoon between representatives of the various groups in the house was effectively that we should discuss item 1 of the Department of Finance and at the same time, those who wanted to discuss the Canadian Wheat Board could do so under item 1 of the Department of Finance.

So I believe the hon. member for Lapointe is in order in discussing the Department of Finance because the Wheat Board may be of interest to the people from the West but if we are to hear them for three days discussing this subject, there will be no time left for those who have other financial questions to discuss.

The Deputy Chairman: Order. I have no desire to delay the exchange of views on the estimates of the finance department but it was my understanding that it was the hon. members' wish to discuss first the estimates of the Canadian Wheat Board.

Therefore, I would ask the hon. member to co-operate and show the spirit which seemed to prevail in the house and discuss first all matters relating to the Canadian wheat board, and perhaps come back later to other matters related to the consideration of the estimates of the Department of Finance.

I am simply appealing to the spirit of co-operation which the hon. member for Lapointe has always shown in the past and I ask him to comply with the wishes of the house and the Chair.

Mr. Grégoire: Mr. Chairman, if you appeal to my heart, you can win me over, but although I want to co-operate with Your Honour acting with such efficiency and graciousness, I cannot co-operate in that respect. I do not intend to speak about wheat. I leave that to the westerners who do it so well, but when it is my turn to have the floor, I insist on taking advantage of it.

I wish to talk about what I feel is an important problem within the Department of Finance. Therefore, I ask hon. members to be kind enough to allow me to speak of the problem I want to bring up this afternoon. After that, I will let the others return to wheat.

I would like to deal with one of the most serious and most important problems facing the Canadian economy at the federal, provincial, municipal or educational level.

• (4:50 p.m.)

It is, Mr. Chairman, one of the largest expenditures of the Department of Finance and one of the largest in the Canadian budget, namely the interest paid by the government on the national debt.

If you study the details of estimates of the Department of Finance, you will see that the total expenditures for 1965-66 with regard to the interest on the public debt amount to $1,101,056,400 and for 1966-67, to $1,185,000,000. That is a lot of money, Mr. Chairman, $1,101,000,000 in interest only on the federal government's public debt.

With $1,101,000,000, we pay the interest only, not the principal. It makes you shudder to think that this huge amount is used solely to pay the interest on the public debt and for the federal government only. Our debt is astronomical.

This morning, in the finance committee, I had the opportunity to question the former governor of the Bank of Canada, Mr. James Coyne, who was submitting a request for a chartered bank. I asked him this: "Mr. Coyne, when your bank loans money, it will inevitably intend to get it back. If it lends money to the Canadian government, when we know that the debt of the federal government is larger than all the money in circulation in Canada—the federal government alone owes more than all the money in circulation in Canada, legal money, scrip money, that is the whole of the money supply—it will therefore be physically impossible for it to reimburse its debt—is it a good risk for a bank to lend money to the federal government when it knows that the latter will never be able to pay it back, because it owes more than all the money in circulation in the country? Is it a good risk? Mr. Coyne answered: "The federal government, when it wants to pay it back, must borrow elsewhere."

Now, in order to pay back, it has to borrow and our debt increases constantly, as does the interest on that debt.

Four years ago, when we first came here, the interest on the debt was $820 million. In four years, that interest has increased by more than $400 million. We now pay $100

million more annually than we did four years ago; the interest will be $1,101 million this year, and $1,185 million next year, which means an increase of $85 million in one year.

Mr. Chairman, we are no longer able to pay back our debts; our liabilities are greater than our assets.

The Canadian government owes more money than there is in circulation in the country. Even if it dug into the pockets of every Canadian citizen, every company, every industry, every business and every member of parliament, it would not have enough to pay the Canadian government's debt. Is this not the brink of bankruptcy? And would this not be a fraudulent bankruptcy, when debts exceed the money in circulation?

The government has more liabilities than assets. Why? Because certain institutions are empowered to create money and lend it to the federal government. But although the bank creates money, it does not create the interest, and the government has to pay back not only the principal but also the interest. However, the amount required to pay the interest has not been created; only the capital has been created. Whenever interest is repaid, the capital remains the same, and this reduces the money supply so that one fine day, there is more indebtedness than money circulation. But there is not only the federal debt, there are also the provincial, municipal and school debts.

Interest is paid, and thus the money supply is reduced, but that interest has not been created and the capital is still due. Nowadays, the indebtedness is greater than the money supply. This is nonsensical. The situation has taken alarming proportions.

When one figures that the interest on the national debt is increasing at a frantic rate, one realizes that before long, that interest will exceed the national defence budget. At the rate things are going, within five years the interest charges on the federal government debt will have exceeded the national defense budget and have become the major item of government expenditure. Yet, this yields absolutely nothing to Canadians.

We will soon find ourselves in the same predicament as many municipalities, in Quebec at least, where 35, 40 and even 45 per cent of the municipal budget is used to pay interest on the municipal debt. The municipality taxes and overtaxes but when $100 have been paid off, $45 are used to pay the interest on the debt alone and not on the capital; these municipalities are left with $55 out of every $100 to undertake improvements and provide necessary services.

The situation has become alarming and the same situation exists in the case of provincial governments.

At the rate the province of Quebec is now running into debt, it will not be long before a great part of the budget of that province is spent to pay the interest on the debt of the Quebec government, just like the federal government is doing for its debt today. One billion 101 million dollars a year, compare that to family allowances. The latter did not increase, but the interest on the debt increases every year, to the point where it has become one of the most important and urgent questions to be settled in our economic system. Unless it is stopped by the Minister of Finance, future generations will be faced with economic and monetary disaster.

It was announced last September that Canada had loaned $5 million to Jamaica for the construction of a bridge and a sewage system in Kingston, and that the loan was interest-free. The Department of Finance of the federal government made a $5 million interest-free loan to Jamaica for 60 years. The Prime Minister will long be dead by that time, just like the Minister of Finance and myself too probably.

• (5:00 p.m.)

For 60 years, and without interest. Without interest. Meanwhile our federal government borrows money at a high rate of interest. We see the astronomical sums which are paid today as interest on the national debt.

This, Mr. Chairman, I repeat, is one of the most important and serious problems which the hon. Minister of Finance must solve. But this does not seem to worry him too much, or very little, because, paradoxically, this is one of the items in the estimates of the Department of National Defence which does not have to be voted. It is statutory. That is why it must be discussed on item No. 1; it is shrouded in silence and secrecy and cannot be discussed then. It is statutory. On the other hand, there is income tax to pay, because money is needed to pay the big financiers. But you have no right to discuss the matter or to talk about it—it is statutory. We should have an opportunity to deal with this, Mr. Chairman.

What is the solution? The solution is to have public debts—federal, provincial, municipal and school debts—financed by a public

bank. Let private debts be financed by private banks.

Chartered banks are private institutions, so let them finance the private sector of the economy. But federal, provincial, municipal and school administrations are public bodies that ought to be financed by a public body, the Bank of Canada.

I cannot understand and cannot admit that Canada, if it is the sovereign country, the sovereign state it claims to be, should have to borrow from private institutions whose goal is to make a profit through the people's taxes. That is inadmissible. Let private banks finance private enterprise in our economy, but let the Bank of Canada finance our public services, road construction, bridges, hospitals, all public works, in short, all public expenditures. A public bank must do this and not a bank whose object is to make a profit; for it is inadmissible, anti-social to see private enterprise making astronomical profits—$1,101 million in the case of the federal government alone—from the government. The government can levy taxes, but it must not exist to make private enterprise such as chartered banks benefit therefrom.

It is all very well to continue having chartered banks, but let them operate for private enterprise and not in the field of public services. There lies the difference. As far as the public sector is concerned, the Bank of Canada, a public bank, should be used to finance not only Canada's debt, but also the debts of provinces, municipalities and school boards, and all projects essential to Canada, no matter at what level. Public works, for instance, should be financed interest-free by the Bank of Canada which is not in business for profits but to serve the Canadian people.

Therefore, public debts should be refinanced through the Bank of Canada. The government did not want to do this in the past, but a great deal of money would thus be saved.

I am convinced that if the Minister of Finance could allot $1,101 million more to the various departments, and then he could afford to increase family allowances, old age pensions and undertake various projects, and even reduce taxes.

One billion, 101 million. When one thinks that only $121 million are ear marked for the Department of Agriculture. And yet, all of it is not for the farmers. Most of it goes to pay for red tape and the cost of bureaucracy in the various departments.

[Mr. Grégoire.]

If only there were more to help the people and less for the financiers. And what about the fact that the interest on the public debt is twice the amount spent for family allowances distributed among all the Canadian children. The chartered banks of Canada get twice more in interest than the Canadian children receive in family allowances. This is what is unthinkable, Mr. Chairman.

Not only is the interest a cancer which eats away the federal, provincial, municipal and school budgets, but it must be realized that the chartered banks of Canada receive in interest twice the amount paid to all the Canadian children in family allowances.

Mr. Chairman, I say this constitutes an anti-social policy. We do not advocate reducing or abolishing debts, wiping them out or writing them off, no. But let us have these public debts refinanced by the Bank of Canada, which is a public bank.

Let the private banks remain in the private field but let the Bank of Canada handle the public field.

Here, Mr. Chairman, is one of the major problems we have to solve. The Minister of Finance, I know, does not seem to take this suggestion seriously; it seems to be over his depth. It seems to him something idealistic.

Mr. Guay: That is right.

Mr. Grégoire: Mr. Chairman, the hon. member for Lévis says that is right. But let the Minister of Finance beware lest he realize one day—because he has not yet consented to study the matter—that the interest on the debt is driving the country into a depression and that the national budget is being eroded by $1,101 million.

He should know that if the government had this sum of money, it would be used to help the children of his county and other counties by increasing family allowances.

If a private bank is able to finance public works, why could a public bank not do the same? Let the Minister of Finance tell us why the government gave the Bank of Canada that name, if not to finance such undertakings? And if it is a public bank, why should it not finance public works? Does the government lack the sovereignty and the power to control its own public financing organization?

Is this what—

Mr. Laniel: Is this what Mr. Bennett wanted to do with his Bank of British Columbia?

Mr. Grégoire: You will see, that might help him to finance some projects in his province.

I would like the Minister of Finance to tell us why the Bank of Canada could not play that part. One of the greatest attributes of its sovereignty is surely to be able to control its money. But the Canadian government is leaving that to capitalists and big financiers. The Canadian government is leaving that in the hands of a few big financiers who control credit in Canada, when it should take back that control for its own expenditures and stop filling the financiers' pockets through taxes paid by the people.

The aim of private institutions and chartered banks is to make profits. That is true. Then let them make those profits at the expense of the private sector of the economy and not at the expense of the public sector, which comes under public banks, the aim of which is not to make profits but to serve the people.

The Minister of Finance should start thinking about using the Bank of Canada; that is its purpose, it is a financial institution. And it is not being used, or rather, it was used once, when time came to lend $200 million to England, without interest; it served the purpose then, but when it comes to lending to Canadians, then things do not work out.

The member for Levis said a while ago that the Minister of Finance is an idealist. Let him explain then, why the Bank of Canada did this for England and why it does not do it for Canadians. If $5 million could be loaned to Jamaica, without interest, why can the Bank of Canada not do the same for Canadians and public organizations in Canada? That is what the Bank of Canada should be doing. But no, the present government, like those before it, has always preferred playing into the hands of international finance.

• (5:10 p.m.)

When you consider that the government dipped into the Canadian taxpayers' pockets and spent $1,101 million last year and $1,187 million this year to pay interest to those big international financiers who control our economy, then I say that the government does not play its proper role, does not do what it should do, that is serve the people and not a few big financiers.

The Minister of Finance should begin by studying seriously suggestions such as this one which are meant to serve the people and protect the money of the Canadian people rather than give it to the chartered banks or to big financiers.

Where did the chartered banks and the big financiers find money they loaned to the government? There is not even enough to pay all the debts in Canada. How is it that we owe them more than the money in circulation? Can the minister explain that? How is it that the debts of the federal, provincial, municipal governments and school boards are twice as large as the money in circulation? Where did the bankers get the difference which does not even exist? Can the minister tell us that? If the government wanted to repay the debt in full tomorrow, could he tell me if there would be enough money in the pockets of all the people, all the companies and all the businesses to pay back such a debt?

How can the minister explain such a situation when we owe more money than there is in circulation? Surely somebody loaned money that did not exist. Then, how did they do it and how could our Ministers of Finance let certain financial organizations lend money that did not exist and let us pay interest on it? Every year, we pay astronomical sums in interest; the situation is serious and important not only for the federal government but for the provinces, the municipalities and the school boards.

Mr. Chairman, I think that the minister should take that problem into serious consideration. The committee on finance, trade and economic affairs will soon meet to study the Bank Act; at that time, the Minister of Finance might suggest that the Bank of Canada should get a charter like the other banks but should use its privileges only to finance public works, in short that the Bank of Canada only be authorized to finance public bodies and governments and should leave to the private banks or other chartered banks the financing of private enterprise.

The minister might find his way to making such a suggestion to all levels of government, the federal, the provinces, the municipalities and the school boards. Large sums could then be included in the budgets of each of those governments and be earmarked for the carrying out of works or the performance of services for the Canadian people. It would no longer be necessary, as it is today, to pay interests to a few big financiers or a few big financial institutions who add billions to their wealth at the expense of the taxpayers.

Then, let the minister take this suggestion into consideration, submit it to the committee and have experts study it and he will realize that it is sound and likely to improve the economy of the country, while enabling the

government to be really sovereign, self-governing and independent, instead of being the servant or the slave of high finance as it is today—

Mr. Guay: Mr. Chairman, would the hon. member allow a question?

Mr. Grégoire: Surely, Mr. Chairman.

Mr. Guay: Mr. Chairman, first of all I want to say that my word seems to have been questioned a while ago when I said the system the hon. member was describing to us was idealistic. Not only is it idealistic, it is beyond understanding and, as was said during the last election campaign: "You don't have to understand. Vote Social Credit and it's all over."

The question I want to put to the hon. member is as follows: In other countries and in other provinces, is interest paid on the debt?

Mr. Grégoire: Mr. Chairman, to reply to the hon. member for Lévis (Mr. Guay) let me say: They have ears but they are deaf. He never wanted to understand and he never will, because if you want to understand, you must first eliminate prejudice, and the member for Lévis is unable to do that.

Mr. Guay: We shall have to change the teacher.

Mr. Grégoire: Mr. Chairman, the hon. member will not understand because he does not want to. Although other provinces and other countries pay interest, it should be recognized that, in British Columbia, the direct debt is paid directly. There are indirect debts Mr. Chairman—

Mr. Prittie: Many of them.

Mr. Grégoire: —owed by crown corporations with assets. For example, there is a railway company in British Columbia which is a crown corporation. It has assets and a debt guaranteed by the government. But, besides the debt, there are assets. Let the hon. member for Burnaby-Richmond (Mr. Prittie) show me that the federal government has assets to support or guarantee its direct debt. The federal government's assets are made up of the home of the hon. member for Burnaby-Richmond, the home of the hon. member for Lévis, the home of the Minister of Finance. Those are the assets of the citizens and the companies of Canada, not those of the Canadian government.

The hon. member for Burnaby-Richmond should know that the direct debt of the federal government is supported by nothing at all, while the indirect debt of British Columbia is supported by assets and interests are paid with profits from those assets, not with taxes paid by the people of British Columbia. Surely the hon. member for Burnaby-Richmond can see that there lies the difference.

[*English*]

Mr. Prittie: I simply tell the hon. member that the Pacific Great Eastern Railway, for example, does not have as many assets as it has charges against it.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I could say that the C.N.R. is in a worse situation even, but the interest on the debt owing by the British Columbia railway is not paid out of public taxes, but out of the railway's own profits. That is the difference, while this amount of $1.1 billion in these estimates comes from the taxpayer's pocket. That is the difference.

If a province or a country has indirect debts reflecting assets and if the interest on those debts are paid out of those assets, fine. I do not see any problem there.

But I do object when the federal government's debt and the interest thereon are guaranteed by the assets of the Canadian people, because the federal government has no collateral for its debt, except the people themselves and their assets. It is absolutely impossible for the federal government to pay its debt; it is impossible because there is not enough money in all Canada to do so. That is what is so serious. Why, the government is bankrupt.

The Deputy Chairman: Order.

Mr. Grégoire: Canada owes more than it has.

The Deputy Chairman: Order.

Mr. Grégoire: Mr. Chairman, I was not out of order for I was replying to interruptions.

The Deputy Chairman: Order. I regret to interrupt the hon. member for Lapointe, but his time of speech is over.

[*English*]

Mr. Sharp: Mr. Chairman, I do not intend to try to reply to the hon. member for Lapointe but I should like to tell him a story.

Mr. Grégoire: Will I understand?

Mr. Sharp: I should like to tell him a story about a previous encounter between the leader of the Social Credit party in the house at

that time, Mr. Blackmore, and the governor of the Bank of Canada. Mr. Blackmore was urging the sort of proposals that the hon. member has been putting forward and Mr. Towers replied, "Mr. Blackmore, the financing of government expenditures by the issuance of currency is the second oldest profession in the world".

Mr. Olson: Mr. Chairman, I hope members of the house in all parties are now ready to pass the estimates for the fiscal year which is just coming to a close. In my remarks this afternoon I hope I will be in keeping with that general spirit. I am not going to get involved in the claims that have been made by the two old-line parties as to who should have credit for what the Canadian Wheat Board has been doing over the past number of years.

I suggest that whether the minister who reports to parliament for the wheat board likes it or not he must agree that there must be some way in which members of parliament can make inquiries about the operations of the board which was set up by this parliament. I certainly agree with him when he suggests that there should not be attempts to obtain a lot of political credit for the actions of the Canadian Wheat Board. At the same time I hope he does not carry this idea to the point where he will divorce himself of his responsibility for the Canadian Wheat Board to such an extent that we will be stymied in our attempts to inquire into the operations of the board.

• (5:20 p.m.)

I know that the minister's statement is in keeping with the plea made by the advisory committee to the Canadian Wheat Board that something ought to be done to eliminate the misunderstanding on the part of the Canadian public that payments made by the Wheat Board to the farmers are some kind of government subsidy. Over the years this has been a real problem. Unjust criticism of the payments made and of the governments making them has been voiced in that it has been said that the government has been oversubsidizing Canadian wheat farmers. I have to agree with the minister that when political attempts were made to claim credit for these payments there was an undesirable side effect in urban areas and even in rural areas. Some people believed that these payments in fact were made out of the federal treasury. Of course, the minister and anyone else familiar with the operations of the Canadian Wheat Board know that this is simply not true. These payments are additional proceeds from the sales of wheat. It would be desirable if that were known and understood clearly by Canadians in all walks of life in all regions of Canada.

I do not believe that directing questions to the minister about the operations and results of the operations of the wheat board means interference by the minister in the operations of the wheat board. The minister happens to be responsible for the wheat board at this time. Surely, as I have said before, we must have some way of communicating our views to the Canadian Wheat Board respecting, first, complaints and, second, the results of the operations of the wheat board. I hope the minister will not carry the separation of his responsibilities and the responsibilities of Canadian Wheat Board officials so far that we will lose this means of communicating complaints.

I said I would be brief. I will now turn to one other matter. When the minister made his opening statement respecting the wheat board he said it had been doing a good job. I agree with his opinion. However, when we consider the whole operation with respect to sales of grain during the current crop year, I would not agree that everything is satisfactory. On the basis of all the investigations and statements which have been made across the country I am convinced that the railways, in particular the Canadian Pacific, have not performed their tasks satisfactorily. In fact, I think it is fair to say that shipments out of southern Alberta at least to the end of January, 1966, are probably the poorest in any crop year within the last six or seven years. I say that because a large number of shipping points in Alberta were still on two bushels per acre quotas at the end of January. The quota has not been that low—

An hon. Member: At the end of February too.

Mr. Olson:—for many years. What I cannot understand is why the Minister of Finance and the Minister of Transport continually defend the Canadian Pacific Railway in the face of its very poor performance, at least in some areas. The Minister of Finance has on several occasions said in the house that a very large amount of grain, in fact a larger amount than in almost any other year, has been moved out of the country elevators into an export position from the first of August until the fifteenth of February, let us say. I think the minister mentioned something over 300 million bushels. I should like to remind

the Minister of Finance that early last fall an arrangement was made between the Canadian Wheat Board and the railways, an arrangement to which the Minister of Transport and the Minister of Finance were parties, that the railways would be completely free to haul as much grain as possible into export position as quickly as possible.

The result is that the railways have now hauled all of the short haul grain. If the grain has been hauled from the points closest to the west coast, surely it is normal to expect that the grain that is left is going to take more time to haul per car load or per train load, as the case may be, because the distances involved are greater. Looking at the over-all performance of the railways suggests to me that we are going to have a great deal of difficulty in meeting the commitment of some 600 million bushels for export by the end of this crop year. I say that in spite of the repeated hopes expressed in the house by the minister and expressed outside the house by the railway company officials with respect to meeting the target of 600 million bushels by the end of the crop year. The easiest part of the task of moving the grain has been done. Now the long haul grain remains to be shipped.

That is not the whole story. The fact is that there has been terrible discrimination with respect to equalizing quotas on the prairies. To say that what has been done has been done simply for the purpose of getting the largest total volume into export position in the shortest time is not a satisfactory answer. If that type of program had been followed, then since December 14 when the locks at Sault Ste. Marie were closed the greatest movement of grain into export position should have been from southern Alberta, the grain growing area nearest to Vancouver.

However, Mr. Chairman, there has not been a substantial increase in quotas in that area since the Great Lakes navigation season closed. I agree with the sentiment expressed by the Minister of Finance when he hopes that the grain will be moved and that the program will be carried out. However, when one looks at the over-all picture objectively, looks at the performance of the railways in the past, and notes what has happened in the last two and a half months it does not seem to appear that the Canadian Pacific is making great efforts to meet its commitments even in following the program it claims it is following.

[Mr. Olson.]

I think the Minister of Finance will have to agree that the wheat board has been under severe criticism by some farmers in western Canada with respect to the failure to meet quota targets. That is not the fault of the wheat board at all. As the hon. member for Qu'Appelle mentioned a few minutes ago, the Canadian Wheat Board has no authority to direct the Canadian Pacific to set off railway cars at any specific shipping point. The wheat board may encourage the railway and the Board's officials may have meetings with the railway but there is no authority to give instructions to the railway to set off X number of cars at any particular shipping point.

I sincerely believe that the Canadian Wheat Board has been frustrated in its efforts to equalize quotas and to do justice to the low quota shipping points. I believe this situation has been brought about as a result of the failure of the railways to set off cars at particular points where the Canadian Wheat Board has placed shipping orders. I think that the minister would be doing a service not only to the Canadian farmers but also to the Canadian Wheat Board if he would state that the Canadian Wheat Board has no authority in this respect. I think it would also be helpful if there were a concerted effort by all ministers on the treasury benches, including the Minister of Agriculture, the Minister of Finance and the Minister of Transport, to inform the railways that they were not satisfied with their performance to date. That seems to be the only kind of action that will produce the results needed.

• (5:30 p.m.)

Finally, Mr. Chairman, may I say that we have had enough of this buckpassing. I am not accusing the Minister of Finance but there has been buckpassing from the railway companies to the terminal elevators and to other people involved in the grain trade with regard to who is responsible for the situation. I think the suggestion made by the hon. member for Qu'Appelle that all these people ought to be called together to try to solve the problems and find the bottlenecks with respect to the grain trade is a good one.

The minister has stated that a co-ordinating committee was set up. I hope the committee has been doing good and useful work. Unfortunately no reports have been issued to the farmers of western Canada about what the committee has been doing and what it has found. Nobody knows anything about it. It would certainly help the morale of the farmers of western Canada, who have been

almost completely without income in the last six or seven months, if they knew that somewhere, somebody, be it the Minister of Finance or this committee, was making a sincere and genuine effort to solve the problem of congestion.

I do not intend to comment on lost sales. It seems to me this is something we would not like to see happen again, if we indeed have lost opportunities to make large additional exports of wheat. But I shall not comment on that point at length for this reason. Even without these additional sales we have plenty of deliveries to meet in regard to sales already made. The greatest need at the moment is to deliver wheat to customers who have already bought it.

One suggestion made earlier in the house was that a traffic controller should be appointed to enable better co-ordination between the various agencies involved in moving the grain. If the present situation does not improve soon we should probably take a day to discuss this matter although, goodness knows, we are running short of time in which to carry out our normal work pertaining to estimates and other matters. But I think the situation is sufficiently serious for us to set up a traffic control officer and give him the support he needs.

It is not enough for the government to say: We intend to keep our hands off the wheat board; we intend to keep our hands off the railways. The performance has not been satisfactory. I would agree with the Minister of Finance and the Minister of Transport that if everything was going along reasonably well it would be desirable that the government should leave the C.P.R., the wheat board, the terminal elevators and all others concerned to do the job as best they could. But we can point to hundreds of shipping points in western Canada where quotas and deliveries are lower than they have been at this date for many years past. This in itself is sufficient indication that the result of the whole operation is not satisfactory. I hope the minister will continue his efforts and that he will be a little firmer with the railroads. C.P.R. shipping points in particular show that the company has not been performing as well as we have a right to expect and certainly not up to the level of last year or the year before.

Mr. Deachman: Mr. Chairman, I wish to refer to remarks made by the hon. member for Qu'Appelle, the former minister of agriculture, with regard to the shipping of grain. In a small way the question of grain shipments made an impact on me during the time he was minister and subsequently.

The present government was elected in April of 1963. At that time the port of Vancouver was blocked with vessels waiting to get to the grain jetties and load grain. There were between 13 and 15 vessels swinging at anchor in the harbour. They were there for everyone to see. In the latter days of that election compaign the concentration of these vessels had been building up and catching the attention of everyone in the city of Vancouver. This is a sight which no one in Vancouver can avoid seeing if he moves round the city at all.

A general uneasiness begins to take hold in the city as people watch this sight and ask: What is the trouble? Is it due to labour or to the grain elevators or to the harbours board? Just what is it that is causing this build-up and thwarting the efforts of Canadians to send their wheat to the markets they have secured?

We heard this afternoon from the hon. member for Qu'Appelle. He told us how he had gone to those responsible for the movement of grain in the port of Vancouver and discussed with them the means by which the harbour could be unplugged and these ships could be kept moving. He told us how he brought together these various agencies at a meeting and asked them what could be done about it.

When I came here in April, 1963, there fell into my hands a memorandum which the agencies in Vancouver had supplied to the hon. gentleman, the former minister of agriculture. It contained suggestions as to what could be done to improve grain traffic in the port of Vancouver. There were many suggestions made.

It was suggested, for example that the jetties should be lengthened to allow bigger ships and in some cases two ships at a time to dock. There were suggestions that the draft alongside various jetties be increased so that more ships could use these jetties. There were suggestions for improving the cleaning machinery, the drying machinery, the elevating machinery. All these suggestions were made to the minister in an effort to see what could be done to speed this trade. I am referring to the memorandum which was sent to him in 1961.

The hon. member for Qu'Appelle had two years or more in which to do something about that memorandum before the government changed. What did he do about it? He

filed it. Big smoke and no fire. I wish to refer now to the annual reports of the National Harbours Board for those years because hey give a good idea of what actually took place after the former minister took this matter in hand and urged all those concerned with moving grain at Vancouver to get along with the business of improving the port facilities so that the government of the day could move the grain more speedily.

• (5:40 p.m.)

I have before me the annual report for 1961 and I am looking at the page dealing with capital works in the harbour of Vancouver. They did build a cargo crane for the new centenary pier. They did some work on an overpass over some streets. They built a coffee shop on Granville Island. The total sum spent on capital works in that year amounted to $785,000. We find that provision was made for some flax cleaners at No. 3 elevator. We were not handling a great deal of flax. The movement of wheat, not flax, was our problem. So they put their money into providing some flax cleaners at No. 3 elevator. That was the extent of the implementation in that particular year of the memorandum to the hon. member on grain handling.

Meanwhile, what was he doing in Montreal? Capital works in that year in Montreal amounted to $15,322,793. That is what they thought about eastern port facilities as against the three quarters of a million dollars in improvements of all kinds at Vancouver, of which only a small fraction represented improved wheat moving facilities. What did they spend their money on in the city and port of Montreal? It was spent on the construction of grain elevator No. 4 and marine towers in section 56—

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

Mr. Deachman: When I am finished, sir. I now want to go on and look at the report for 1962. Perhaps the hon. member for Qu'Appelle was a little slow getting under way. Indeed, looking at the report for 1962 we find that the memorandum was catching up with him and something was happening. Capital expenditures in the port of Vancouver that year were $301,942. That is what the previous government thought of the port of Vancouver and improving the facilities there in a peak year for the movement of grain.

One item was the construction of the Heatley Avenue overpass. They were still worrying about that overpass. They also involved themselves in the installation of a partial dust control system and the replacement of car hauling machinery in No. 2 elevator. So they did put a little money into the elevators.

Meanwhile, at Montreal expenditures on capital account in that year amounted to over $10 million. That is where the funds of the previous government were being spent on harbours at that time. In spite of all he has told us this afternoon, the previous minister of agriculture in the Conservative government did not implement any of the recommendations that were made to him when he went to the city of Vancouver. That is why, when we were elected in April, 1963, vessels were swinging at anchor in the port of Vancouver waiting day after day for an opportunity to load, and we were getting ourselves into the position in which we find ourselves now.

The solutions for overcoming these problems involve enormous undertakings but they were never undertaken or ever dreamt of by the former minister of agriculture. He filed the memorandum. He was all smoke and no fire, and that is where his statement stands today.

Mr. Nasserden: Mr. Chairman, I have listened with interest to the remarks of the hon. member for Vancouver Quadra, and it would be interesting to know what amounts have been spent on the port of Vancouver by the present government since it took office. Though there might be some political policy involved, all of us from the prairies are in sympathy with the hon. member in his efforts to get money allocated for the Pacific coast ports. We feel that the future of grain marketing from western Canada largely depends on the Pacific ports and they should receive more attention from governments than they have in the past.

We had quite a spectacle in the chamber today just as we had the other day in watching the Minister of Finance trying to justify the position of the government and his own position as minister responsible during the last three years for the Canadian Wheat Board. They have been an eventful three years but not because of the actions taken by the government or the minister. They have been years of panic and years of inaction so far as grain marketing is concerned. When I say that I give full marks to the government for the recurring wheat sale to China and the

new sales made to the U.S.S.R., but I can remember that when we made the first sale to China the Prime Minister, who then sat in opposition, said that Canada was selling on credit to its enemies and at the same time selling for cash to its friends. He tried to discredit our government because of the tremendous wheat sale to China.

The minister has said that the past year has been a difficult one and that he is well satisfied with the results embodied in the final payment announced a few days ago. But I would remind him that this year's prices are from 9 to 17 cents per bushel less than those of the previous year, this in the face of rising costs for farm machinery, rising costs for labour and everything that goes into the cost of production, this in the face of the promise made by the Liberal party in two election campaigns to provide a guaranteed price of $2 per bushel for western grain producers. Instead of getting $2 per bushel western Canadian farmers received Hazen Argue as a senator, and when one considers the loss of 9 to 17 cents a bushel for that privilege I think the government owes the western farmers something over and above what they have received during the past three years.

Today the minister made much of the fact that the advisory board had said that producers were getting the idea they were receiving government money. If that is what I understood him to say, I find it very difficult to believe that the advisory committee to the Canadian Wheat Board would make such a suggestion, because the people who have that kind of understanding are not the producers. They are people other than grain producers who think some of the payments represent government money.

Mr. Sharp: Mr. Chairman, I am sure the hon. member will accept my word, but he has only to speak to the members of the advisory committee to learn that they have become very concerned about the idea prevalent every time the government makes an announcement that somehow the government is distributing largesse to the western farmers. I know my hon. friend does not think this is so but many people had that misunderstanding and I am doing my best to clear it up.

Mr. Nasserden: If I heard him correctly the minister mentioned producers, and I am satisfied that the producers in western Canada know where the money is coming from in the sale of their grain. They do not think that any government is giving them anything, certainly not this government.

A number of things are responsibile for the amount of the final payment made this year. First, there was the serious situation with regard to the allocation and supply of box cars. I believe that situation was largely the result of the detached attitude taken by the minister with regard to all matters concerning the Canadian Wheat Board. He likes to tell us it is his job as minister to report on its operations to the House of Commons. We in western Canada, regardless of party, believe the minister has a greater responsibility with regard to the operations of the Canadian Wheat Board.

Mr. Sharp: Mr. Chairman, may I say the hon. gentleman knows perfectly well that what I have said on so many occasions is that it is my job to support the Canadian Wheat Board and I repeat, to support it, not to report on it.

• (5:50 p.m.)

Mr. Nasserden: Mr. Chairman, I say to the minister that he is doing a very poor job when he does not give them that support that will make their work just as effective as it can be. I was about to refer to the open barley quota that was put into effect last fall. Some farmers could deliver 17,000 bushels and others did not harvest a bushel. Elevators became congested and then there was a cut-off of box cars which meant that they could not make deliveries of the barley they had in stock. There has been an inequitable allocation of space to farmers in different areas of Canada and all because the minister wanted to do something during that period to indicate that grain was moving freely on the prairies under a Liberal government.

Another point with which I should like to deal is that I have heard nothing from the government or the minister about any machinery which has been set in motion to try to bring about some cohesive thinking on the part of the government as it prepares to embark upon the next International Wheat Agreement negotiations. That is something which should be receiving attention at the present time and which should have been receiving attention during the last year or more. It is one of the failures of the government that it has not given the leadership that is necessary in that respect.

I should like to refer also to the ports on the Pacific coast and support a couple of speeches which have been made in the house during

this session with regard to the development of those ports. We on the prairies endorse the stand these members have taken that the government of Canada should allocate more money to the development and improvement of these ports. I know that criticism may be levelled against what has been done in the past, but let us go back and take a look at 1961, 1962 and 1963. The China wheat agreement had been signed and hon. gentlemen opposite, then in the opposition, questioned whether it was anything more than a one-time deal. What would they have said at that time had the government of the day embarked upon considerable and widespread development of the ports on the Pacific coast in the face of the assertions made by them during the course of the debate in those days—they even convinced me of the possibility—that perhaps the China wheat agreement might not be renewed, although in our hearts and minds we hoped that that agreement would pave the way for sales that would continue for many years to come?

The inaction, if there was any inaction at that particular time, is no excuse for the inaction since that time when the hon. gentlemen opposite have been in office and have had the assurance of recurring sales not only to China but to other nations across the Pacific.

Another matter which should be dealt with is the increase in the loss to farmers ranging from 9 cents to 17 cents a bushel. We all know how it started. It started when the minister panicked and did not support the Canadian Wheat Board the way he should have in the face of what he thought was competition from Australia, competition which has evaporated as a result of events which have taken place.

When you take a look at this whole situation and the grain which has moved in the markets of the world during the last two years you cannot come to any other conclusion but that price has not been a factor in the movement of grain during the entire period. The loss to Canadian farmers, ranging from 9 to 17 cents a bushel, is only part of the loss to Canada as a nation, as the hon. member for Qu'Appelle outlined this afternoon, with regard to meeting the balance of payments situation that this country is faced with at the present time.

As these are the estimates of the Minister of Finance I should like to deal for a minute with the balance of payments situation. I wish to refer to an article in *Business Week*

[Mr. Nasserden.]

of February 19, 1966. The article is captioned "The Lessons of Power Politics":

> At first reading, the U.S. balance of payments figures for 1965 look impressive. They show that the deficit in this country's international transactions was cut to $1.3 billion last year, about half that of 1964 and the lowest deficit in eight years.

Quite a co-incidence when you take a look at the figures in the last eight years. A second look at the figures is anything but reassuring. The article goes on to say:

> —arguing that the U.S. should continue to run a deficit indefinitely to finance European expansion and international trade. . . . But in the world of international power politics every dollar that leaves the U.S. lessens our power and increases the hold that our creditors have on us.

That is the United States of America talking.

> The massive dollar balances now held by the Europeans can and will be used to force concessions from the U.S. not just in monetary affairs but in foreign policy.

Then they go on to say:

> As long as the U.S. has this fishhook planted in its gullet, those with whom we have to bargain always can jerk the line. The only way we can regain our freedom of action is to close the deficit before we weaken our position still further.

If that is true of what could happen in the United States, how much more true is it of Canada today with the alarming increase in the deficit in respect of our balance of payments? It is for the government of the day to try to protect against this problem. We on this side of the house have the satisfaction of knowing that our ministry and the prime minister of that day were able to make inroads into the problems which existed at that time. But some of the measures or policies that had been efficient were allowed to fly out the window by the panic and inaction of members opposite, particularly the Minister of Finance in respect of his attitude concerning grain sales.

The Chairman: Order. As it has been agreed that there will be no private members' hour today, I would ask the consent of hon. members to announce at this time the questions to be raised on the adjournment motion tonight without my leaving the Chair.

Some hon. Members: Agreed.

The Chairman: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Waterloo South (Mr. Saltsman), Labour conditions—Windsor—prospective lay-off of Ford workers; the hon.

member for Nicolet-Yamaska (Mr. Vincent) —Agriculture—request for announcement of dairy policy.

Mr. Jorgenson: Mr. Chairman, it is not my intention to unduly prolong the debate but in view of the course of action that was followed by the minister on Friday in his refusal to face the House of Commons and allow comments to be made on the final price of wheat for the previous crop year I feel I must make a few remarks today. The minister offered a very vacuous excuse for deciding to table the order in council rather than read it as has been the practice in the past in the House of Commons so that opposition members would have an opportunity to comment either favourably or unfavourably on the contents of the particular order in council.

• (6:00 p.m.)

Everyone knows that the real reason the minister did not make a statement, as has been the custom, is that he refused to face up to his responsibilities as the minister in charge of the Canadian Wheat Board. The reason he gave us was that he was trying to cut short the amount of time he uses in the house. He was not worried about that last year when the final price was the highest on record. He was not worried about making a statement on behalf of the Canadian Wheat Board in respect of the Russian sale or the renewal of the China contract. He does not seem to be worried about taking the credit for those things that sound good.

The unhappy thing about the minister is that he refuses to take the responsibility for those things for which he is responsible and for those things which are not so good. He cannot have it both ways. He must either be the minister in charge of the Canadian Wheat Board, answer questions on behalf of that board and accept his responsibility or pass that responsibility on to someone else.

The hon. member for Medicine Hat, as near as I could follow him, suggested that the minister should take credit for all those things that are good but never take the blame for anything that is bad. I suggest that this is not the kind of attitude that we can stand for in this house.

The minister strove very valiantly to convince the house about the situation in respect of the price of wheat during the years 1957 to 1963 and I noticed that members opposite pounded their desks every time he referred to those years. However, I think it should be pointed out that when we assumed office in 1957 the price of wheat was $1.60 per bushel but as a result of the course of action followed by the party of which I am a member the price of wheat was gradually increased to $2 per bushel. That is what the price was when we left office in 1963. It did not appear to us during that time that there was any great difficulty in holding the price at that level in view of the markets that existed, the demand that had been created and the fact that our surplus had to all intents and purposes virtually disappeared.

What happened following that year? As was pointed out earlier by the hon. member for Rosthern, the government panicked and refused to assist the Canadian Wheat Board in dealing with the United States regarding the cut in prices. The minister has come to the house time and time again and said that he did not want to take credit but that the wheat board should have the credit. Yet at the same time he makes all the announcements. The only announcement he refused to make was that of last Friday, because he knew there would be criticism levelled as a result of his inaction and failure to support the Canadian Wheat Board which resulted in a drop in the price of wheat.

The very fact that the price of wheat is again climbing to the level it was in 1963 is all the proof needed to support the suggestion that the price should not have dropped in the first place. Just a little action on the part of the minister would have saved the farmers of western Canada some $70 to $80 million. Yet the minister had the stupid audacity to say: Well, they have enough money anyway.

Mr. Sharp: Who said that?

Mr. Jorgenson: The minister sits in his ivory tower on Bay street and tells the farmers that a drop in the price of wheat is not going to hurt them.

Mr. Sharp: Mr. Chairman, I should like to ask the hon. member a question. When did I make such a statement?

Mr. Hamilton: You made the statement in the house.

Mr. Jorgenson: Yes, you made that statement in the house.

Mr. Sharp: Would the hon. member care to quote it?

Mr. Jorgenson: I do not have the passage before me.

Mr. Sharp: You would not find it if you looked for it.

Mr. Jorgenson: You made a statement to the effect that because of the volume of sales the return was going to be the highest ever and therefore the farmers should be satisfied.

Mr. Sharp: I did not make such a statement and I should like the hon. member to quote the passage to which he refers.

Mr. Jorgenson: I do not have the quotation in front of me at this moment.

The Chairman: Order, please. The minister says he did not make that statement and I think his word must be accepted unless, of course, the hon. member is able—

Mr. Jorgenson: I do not intend to press this in any event, Mr. Chairman.

The Chairman: Order. One moment, please. The minister's word must be accepted unless the hon. member is able to produce the quotation.

Mr. McIntosh: Give us a little time. We are looking for it now.

Mr. Jorgenson: Mr. Chairman, I should again like to deal for a moment with the impression that the farmers in the west thave at this time so far as the Canadian Wheat Board is concerned. As the former minister of agriculture pointed out, prior to 1957 there was a great deal of dissatisfaction with the Canadian Wheat Board. The dissatisfaction arose because of the attitude of hon. gentlemen opposite in refusing to accept the responsibility that is theirs to answer to the House of Commons on behalf of that Crown agency. The fact is that the only way the Canadian Wheat Board has of reporting to parliament is through the minister and unless the minister is prepared to accept that responsibility the farmers are going to misunderstand what is the real problem.

We observed quite a spectacle in the house during the spring of the year in which the China grain sale was made. I do not intend to repeat all the statements that were made inside and outside the house in that regard at that time but I do wish to refer to the fact that the Prime Minister said in eastern Canada—I noticed he would not repeat this statement in western Canada—that the China wheat deal was not a good deal, that it was a hoax on the part of the hon. member for Assiniboia of that time. All the time the debate was going on in the house concerning the China grain deal the members of the government party, then on this side of the house, were nitpicking and attempting to find some obscure reason why the credit terms of

the China wheat deal or the deal itself should not be accepted. In the meantime the farmers of western Canada were pocketing the money that resulted from that sale.

We in the west have had enough of this minister and his failure to do anything to support the Canadian Wheat Board. We have had enough of this rusty Rasputin and his ivory tower on Bay street. The Prime Minister should remove the Canadian Wheat Board from the responsibility of this minister and turn it over to the Secretary of State. She may not know anything about wheat or the wheat board either but at least she is not afraid to get out and attempt to do something.

Mr. Gundlock: Mr. Chairman, I wish to take only a few minutes to put forward the three points I should like to bring to the attention of the minister. As a farmer, and I use myself as an example, I have not delivered enough wheat as of this moment to pay last year's fuel bills. One month from now we will be faced with seeding a new crop.

• (6:10 p.m.)

In my opinion this is not a matter of high finance; it should be very simple and there should be no argument about it whatsoever. I have listened to a great deal of talk in the house this afternoon and agree with most of it. I would not agree with one or two things the minister said or with the hon. member opposite who said that there was not time for this sort of thing. I think there is time. When a western Canadian farmer at this time of the year has not delivered enough wheat to pay for last years' fuel, I think it is high time something was done.

I should also like to point out what this situation means in our economy. I borrow money from the bank and pay interest on that money. The wheat board borrows money from the bank to make the initial payments and they pay interest on that money. The elevator companies in turn enjoy the revenue obtained from storage. All these costs are charged to the farmer's account, to my account. The farmer pays interest on the money he borrows, interest on the money the wheat board borrows and pays for the storage. I do not believe it is necessary to be Minister of Finance of a country to add up these costs and realize they take the cream off the crop.

Canadian farmers generally need consideration in this respect, not just western farmers. Western farmers are renowned for their ability to spend their money. Where do they spend it? It is spent in the rest of Canada,

particularly in eastern Canada. Western farmers contribute to a very great extent in helping to solve our balance of payments problem.

I have one last point, Mr. Chairman. We do not only have to consider this situation and correct it or bring it to the point where it is acceptable but we have to go one step further and get out of the rut we are in. I say in all deference to the government that we have been in this rut for many, many years because we wait until someone says we can deliver wheat. In our part of the country the C.P.R. has a captive market. If they do not haul grain this month they can haul it next month. The elevator companies have a captive market in regard to storage. I believe we have to break this problem wide open. Hon. members have made suggestions in this regard but I say that to really improve this situation we have to deliver the crop after it is harvested or at least a good part of it. If we do that we will get rid of the three charges which I mentioned and which constitute the real cream of the crop. This would cost nobody anything. The farmer will have an improved price without costing anyone anything and he will have the price he rightly deserves. This can only be achieved through proper management. I submit this suggestion to the Minister of Finance and the other ministers concerned—I see the Minister of Agriculture is here— and I sincerely believe that farmers need this kind of consideration, not only wheat farmers in the west.

Item agreed to.

Administration—

1d. Departmental administration, and grants as detailed in the estimates, $15,000.

Mr. Gundlock: Mr. Chairman, there is one short question I should like to ask the minister. It has to do with the sales tax in relation to municipalities. Perhaps I should have asked it under vote No. 1 or maybe it should come under another item. However, perhaps you would guide me in this respect, Mr. Chairman, or the minister would allow me to ask my question.

The Chairman: It is quite all right for the hon. member to ask his question now.

Mr. Gundlock: Thank you, Mr. Chairman. The question I wish to ask concerns the application of the sales tax to municipalities in their purchase of certain materials. It is my understanding that municipalities are not subject to the payment of sales tax in respect of certain materials. By way of explanation I would point out that irrigation companies are paying sales tax on culverts.

Hon. members will appreciate that culverts are important in the work carried on by irrigation companies. In our part of the country over 500,000 acres are under irrigation and there are some 22 irrigation companies which are paying sales tax on culverts. For this reason it is quite an important item and I wonder whether the minister will give me some explanation in this regard.

Mr. Sharp: Mr. Chairman, the fact is that municipalities are not exempt from sales tax except on certain special equipment such as road graders, I think, and so on.

Mr. Gundlock: And culverts.

Mr. Sharp: And some things that are associated with the movement of water. I am not absolutely sure. Perhaps the Minister of National Revenue could answer this question if the hon. member would ask it when the minister's estimates are under consideration and the minister could give the details at that time. In general municipalities do pay sales tax except on items that are specifically exempted.

Mr. Gundlock: Perhaps by way of explanation I might point out that irrigation companies were, under the Department of Labour, defined as municipalities for the purpose of winter works. I think that definition should apply in this case. If I am not wrong about this, culverts are one of those items that are exempt. However, since the time irrigation companies were considered to be municipalities and therefore came under the winter works program they have been charged sales tax on culverts. I wish the minister would take this matter into serious consideration. It means a great deal to irrigation companies because culverts, as hon. members will realize, pass water under grades and over hollows and this constitutes a very considerable expense.

Mr. Sharp: I can assure the hon. member that I will look into this question. I will be preparing my budget and will take this as another recommendation.

Mr. Lambert: Mr. Chairman, I hope the few remarks I wish to make will not be deemed to be out of place under this item. Perhaps the provisions of item 1d may be extended a little so that my remarks may be in order. I was caught between my office and the chamber and am consequently a little late in speaking on this item.

There are a few points I should like to make to the minister on the first item of these estimates. I shall refer to them at this time and indicate that we want to hear a great deal more explanation and discussion of these matters during consideration of the subsequent estimates.

One question I wish to raise at this time is the matter of guide lines. The fact that the minister is going to the United States. I want to know whether he is proposing to meet the relevant officials of the American administration to discuss with them further and put before them the very strong resentment that exists in Canada with regard to the effect of these guide lines in this country. It is almost as though the American administration had taken a swipe at something and was unconscious of some of the side effects of its actions in dealing with a problem which we recognize.

We recognize that the United States has a problem in this regard but it must be remembered and re-emphasized, as has been said by my colleague, the hon. member for Northumberland and others on this side of the house, and I am sure this concern is shared by the government, that there are certain considerations that apply to Canada in this connection. We are the best customers of the United States, and if the effect of these guide lines is to stultify the Canadian economy and make it much more difficult for our economy to maintain its progress, of course the Americans are only cutting off their nose to spite their face, although they may not recognize that fact. This is the point I want to emphasize.

• (6:20 p.m.)

Not only is there the question of the guide lines but also the action of the Securities and Exchange Commission of the United States in their requirement that in Canadian companies where there is a 10 per cent shareholding, I believe it is, in the United States, these companies must make full disclosure as required by the American authorities. I believe this is going rather too far. It will only create resentment in this country. It is not that we have that many Canadian companies operating in the United States where the shareholdings by United States interests may amount to 10 per cent; yet we find Canadian companies are being asked to supply information as to their total operation. We might counter by saying that any United States corporations owned by 1 per cent, 10 per cent or 15 per cent Canadian interests must disclose to us all of their operations. I am sure that Washington would react very promptly and with a great deal of resentment if we did that. What is fair for them is fair for us. I believe that this action by the S.E.C. is totally uncalled for. It will be the duty of the Canadian government to make these views known to the United States government and to tell that government this is the type of action that is not calculated to improve relations between our countries.

So far as the guide lines themselves are concerned, I think I can only emphasize what has been said on this side of the house. I do not believe the guide lines are innocuous. I think the minister recognizes that perhaps his first indication was that he was taking it all too calmly; otherwise we would not have had the action taken by Mr. Kierans in the province of Quebec and others. Albeit they did use rather unorthodox means of getting their point across, yet they do have a point to get across. That is all I am going to say on this matter.

On February 2 the minister was good enough to file an answer to a question I put on the Order Paper, question No. 100, concerning the results under a supplementary agreement according to the provisions of the Established Programs Act. This was the 1964 Bill No. C-146 which, if I recall rightly, was going through some time in July or August of that year. I remember the hon. member for Davenport, who occupied the portfolio of the Minister of Finance, hailed this particular arrangement as one of the stars in the Liberal heaven.

This bill for the opting out of joint programs was going to be the solution for the relations between the federal government and the provinces in connection with such programs. At the time I indicated, the hon. member for Nanaimo-Cowichan-The Islands indicated and so did some of my other colleagues that this bill was a hoax. There was nothing to it in so far as granting greater fiscal autonomy to the provinces was concerned. The Prime Minister paraded up and down the country saying that this was the new Liberalism. The then Minister of Finance did the same. The proof of the pudding is always in the eating and I am very interested to see that there was only one province that took advantage of the provisions of this bill. Yet it had been designed for the benefit of all Canada because dominion-provincial relations

are not the private preserve of the government of Canada and one province. Dominion-provincial relations apply to all provinces, whether on the Atlantic coast, in central Canada or out west.

I assert that in this regard all provinces have their rights and their positions. They stand as equals in fiscal relations. Certainly as a representative from the western provinces in this house I doubly assert that. The detail of the answer given by the minister is immaterial in so far as the quantum of money that will be realized by the province of Quebec under the income tax abatement provided for under the supplementary agreement, but I must insist again on pointing out that as soon as the principal agreements terminate the supplementary agreement falls to the ground and unless there are renegotiations of the original agreement the abatement of income tax goes back to the government of Canada. This has not been a permanent abatement or assignment of these points. The law is patently clear and there is not much more freedom under Bill No. C-146 than there was heretofore. The Auditor General has access to the records of the provinces to the same extent as he had before. The government of Canada is entitled to the reimbursement of any funds in excess to costs. The government of Canada has the right to assess the validity of the cost under such joint programs just as it had before.

In the event that there is a deficiency between the cost and the revenues ascribed to that particular joint program, the province can come in for a special grant. But I would be the most surprised man in the world if the Treasury Board and the Auditor General did not insist upon a complete accounting of the cost of the programs administered by the province. Therefore I repeat what I said at that time, that this Bill No. C-146 was only brought before the house as a result of a deal for the 1963 election, one of those deals that we find so repugnant. The other provinces showed the back of their hands to this sort of thing because they realized that they were not receiving anything out of it. In so far as fiscal autonomy is concerned this is precisely what this bill meant. As of October 31 it became a dead letter in the realm of greater fiscal autonomy for the provinces because it was completely and utterly meaningless.

Then, on February 14 the minister replied to a question I had put with regard to the agreement between Canada and the United Kingdom for tax credits.

Mr. Sharp: What is the page number?

• (6:30 p.m.)

Mr. Lambert: Question No. 410, which is found on page 1146 of *Hansard*. He mentioned, as indicated, that a sort of interim agreement is applicable. One point, however, worries me, and that is the effect of British surtax and whether that is covered under this interim agreement. I should like to know whether Canadian investors in United Kingdom securities are in as good a position today as they were heretofore. The capital gains tax which has been implemented by the United Kingdom government must be considered.

I refer to the minister's answer to part 4 of the question, page 1146 of *Hansard*:

> An interim agreement referring to four classes of income was signed on December 6, 1965. It is expected that this will be replaced by a further agreement of broader application after the report of the royal commission on taxation has been considered.

I am concerned about the effect on Canadian investors in British securities as a result of what happened in 1964. Have Canadian investors been placed in a position inferior to that which they occupied prior to the expiration of the agreement? This is important, Mr. Chairman, because of the fact that British tax rates are rather serious and in some instances rather savage. It is important when one considers the effect upon dividends or income earned in the United Kingdom, which also may be subject to a certain degree of Canadian taxation.

I trust that we shall have some information on this. Personally I should be satisfied with an interim reply and with a further consideration in detail the next time we meet the minister.

I wish to refer to university grants. I know that this subject is covered in a later vote, but I do wish to make certain references to the recent grants made by the government of Canada to the various provinces. I find some difficulty and regret with respect to what appears to be the action taken by one province. I know that the door has not necessarily been closed because negotiations are going on. As a matter of general principle I accept that the government states that it has made grants unconditionally. What is somewhat surprising in this regard is that the government says it was following a precedent in this connection. I realize that the precedent, if one did exist, resulted in all the moneys made available to the Quebec administration of the

day being turned over to the universities. Mr. Chairman, this is $17 million that the government of Canada has turned over to the province of Quebec to assist universities without any strings attached that the money should go to this area or that area, or this or that use, or that the universities shall bend their energies this way or that way. To this extent these moneys have always been unconditional and have been recognized by the majority of the Canadian people as such. However, I do find difficulty in accepting any justification that any of these moneys shall be turned to other uses. One could almost say:

[*Translation*]

To use the sentence, during an election year, the $8 million which makes the difference between $17 million and $9 million will be spent on the construction of sections of roads.

Mr. Grafftey: Prior to the election.

Mr. Lambert: Yes, obviously, during an election year; that is when sections of roads are built, and not only in the province of Quebec, but everywhere—

Mr. Côté (Longueuil): In Alberta too.

Mr. Lambert: Yes, certainly, but there it is not only sections of roads, but long roads which are built. I wanted to say that I would find it abnormal and frankly immoral if that money were used for other purposes.

I claim that there is a question of morals involved. There is, if not a formal undertaking under an agreement, at least, the moral obligation to use those funds for the purposes set out by the federal government.

[*English*]

This is one point that I think the minister should clarify. He should clarify what representations have been made in this regard in view of events, or is it intended to await the ultimate solution of the difficulties now being discussed in the province of Quebec?

My last point is one that I shall wish to discuss with the minister at greater length on future occasions and it is the question of money grants in lieu of taxes by the government of Canada. This is a problem that exists not only as between the government of Canada and the municipalities but between provincial administrations and municipalities. Frankly, I find the activities of government, both federal and provincial, with respect to their powers of expropriation to direct government facilities, their relative freedom from town planning restrictions or, shall we say, their influence on town planning in various municipalities, and the predominant position inherent in the status of federal and provincial governments vis-à-vis the municipalities, places upon them a much greater responsibility than now assumed by the two senior levels of government with regard to the payment of grants in lieu of taxes for municipal services.

Some grants, in some instances, I would almost categorize as niggardly. Municipalities are called upon to assume greater responsibilities for streets, for public transportation, for schools and for all sorts of other things. Yet there is only a sort of nominal contribution to the municipalities. I think that is apparent here in Ottawa. I think it is apparent that there should be a complete review of the formula for the determination of municipal grants in lieu of taxes. This also applies in my own city of Edmonton which is a capital city. It has certain federal properties and it has a great number of provincial properties. I am sure that there could be worked out a much more equitable dealing for the municipalities in this regard.

I do not know that the federal government necessarily would be the loser because money for these things has to be found somehow. The municipalities must provide these services. I think it is much more honest and much more equitable for the municipalities to acquire these funds in a direct, appropriate manner rather than in a circuitous, ad hoc manner forcing them to come cap in hand, almost like beggars, to both provincial and federal administrations in order to get funds. They have to acquire funds properly to discharge responsibilities that are in many instances forced upon them by the activities of both senior levels of government.

I wish to discuss other points as we go along. However, I think that these brief remarks will indicate the general tenor of my comments at this time.

• (6:40 p.m.)

Mr. McCleave: Mr. Chairman, my intervention in the discussion at this point will be brief. I have made an attempt to estimate the number of hours remaining to us until six o'clock on Friday evening when I believe we have the objective of passing all the estimates for the current fiscal year. On this basis it seems to me each member is entitled to four minutes. I shall therefore take approximately that amount of time.

On November 6, 1962, the colleagues of the Minister of Finance proclaimed themselves in favour of debt free money. I recall the fascinating speech made at that time by that intrepid financial figure, the present Secretary of State for External Affairs. Yesterday the minister, in a reply to a question I had on the order paper asking him whether the present government has taken any steps to bring about debt free money in the years between 1963 and 1966, said the answer was in the negative.

I should like to compliment him on returning his colleagues to fiscal orthodoxy and I should appreciate his assurance that he will see to it that what happened in 1962 will not happen again.

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 1963 (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, $8,500,000.

Mr. Lambert: There is on this page a statutory item in respect of university grants. I think the minister should perhaps make some comment in reply to what I have said.

Mr. Sharp: May I comment briefly on two or three of the points made by the hon. member for Edmonton West?

First, as to his comments on the United States guide lines and the attempt to apply U.S. Securities and Exchange Commission regulations to Canada, I entirely agree with the position the hon. member has taken. It is one which I personally have taken and one which the government of Canada has taken and will continue to take with the United States government. We may even quote the hon. member for Edmonton West as an example of Canadian public opinion on these issues.

The hon. member referred to the Established Programs Act. I would point out that these are transitional measures. It is not expected that arrangements of the kind we have been describing will continue indefinitely. They are in the nature of transitional measures which will be replaced in due course by measures of indefinite duration. The comments he was making are, I think, quite accurate on the whole but they are not comments which would apply generally in future years when we have got through this transitional period.

The hon. member then talked about the United Kingdom taxation agreement. Like him I have had complaints from taxpayers who are caught by the new United Kingdom taxes and have not been able, because of the terms of the present tax agreement between Canada and the United Kingdom, to get as much relief as they would like to have from the adverse effects of double taxation. We are very much aware of this situation. Had it not been for the fact that the Carter commission may be recommending some important changes in Canadian taxes—I have not had access to the report but I hear it is far-reaching—we would probably be engaged in negotiations with the United Kingdom to secure a more satisfactory agreement.

On the question of the university grants let me point out that these arrangements are for one year only. The Prime Minister has dealt with this matter. I do not think that in fact the province of Quebec has any greater freedom in the use of the total resources at its command than have the other provinces. As the Prime Minister has said, we set no conditions as to how the other provinces should use their money. So they are free to give as much or as little aid to the universities as they wish.

They could, for example, decide that they would not spend as much on the universities because we were helping the universities. Since this is for one year only, it is merely a transitional arrangement to be replaced by a more permanent arrangement when we have had the opportunity of discussing the whole question with the provinces at a conference. The hon. member will understand that we were not able to have a conference earlier and we had to make a decision because of the great need of the universities.

Mr. Lambert: Will this $17 million be a related item in the estimates or will it be included in this particular item? Will this $17 million be paid as a supplementary item to this particular item, item 5, which is headed "University Grants" or is it some related item? If the item under which this money will be paid has the appellation "University Grants" there is a moral obligation to spend the money as such.

Mr. Sharp: I will bear that in mind when we are preparing the supplementary estimate. I am sorry but I cannot answer the hon. member's question off the cuff. There were other questions which the hon. member raised but I do not think he would expect me to discuss them at this time.

Mr. Orlikow: I hope the minister would be able to say something more about university grants than he has said tonight. When the government announced an increase in per capita grants for the provinces from $2 to $5 in respect of universities it was said, as the minister has said tonight, that this was an interim and temporary payment. The provinces were, of course, happy to get assistance. An increase of roughly $60 million in one year from $40 to $100 million looks good until one considers the problems which our universities face.

The day after the Prime Minister made his announcement about the increase the Toronto *Globe and Mail* conducted a survey. I am sure it could not have been a complete survey in the time available but it did take account of the needs of all major Canadian universities in relation to the cost of their present building programs. They came up with a figure of $500 million.

Universities across Canada now have on the drawing boards or in their building programs provision for meeting the needs of students who are likely to enter universities during the next ten years, a period in which an increase of between 300 and 400 per cent has been estimated. The universities are moving as energetically as they can to meet the requirement but they are faced now with building costs of the order of $500 million.

The cost of building up a staff of professors and research workers to guide these universities is fantastic. Costs in every field are likely to double in the next ten years. Even the Maritime provinces which have a lower per capita income than the other provinces in Canada have done tremendously well in assisting the universities in the light of the many other calls on their services. The cost of education in every province today is probably twice as much as the total provincial budget in 1945. It is obvious that the provinces alone will not be able to meet the cost in the future.

• (6:50 p.m.)

They certainly cannot meet the needs expressed by the Economic Council in its second annual report, which pointed to the fact that there are twice as many young people of university age in the United States attending university as there are in Canada. It seems to me that what the federal government announced this year was just a beginning, just a small proportion of what is required, and I would hope the minister could tell the committee in greater detail what are the government's plans.

I am not too concerned about the details of how the money is paid out, whether directly to the universities or to the provincial governments. What is important is that the federal government recognize the fact that in the field of education the provinces face such tremendous problems that they simply cannot meet the needs by themselves. The federal government will have to co-operate with the provinces, and I would hope the minister would say more than he did when he stated that this was just a temporary measure this year and that the federal government will be discussing the matter further with the provinces.

We have had discussions on this matter for many years. Municipalities have made representations to provincial governments, provincial governments have made representations to the federal government, as have university organizations to both the federal and provincial governments. The Association of Canadian University Teachers has made representations to the federal and provincial governments and so have the medical research people. We have had lots of talk about these problems. I do not intend to put all these representations on record tonight, though I shall certainly do so at a more appropriate time, but I know the people vitally concerned about the educational problem would be very heartened if the minister could indicate in a broad, general way the basic principles which the government is thinking about in this field.

Item agreed to.

15s. Government's contribution to the superanuation account and the public service death benefit account, payments under earlier superannuation and retirement acts and under the Public Service Pension Adjustment Act, and gratuities to families of deceased employees, $61,882,600.

Mr. Lambert: Could the minister tell me what is the intention of the government with regard to the older superannuates? Representations have been made in this chamber and outside it by hon. members and interested bodies which indicate that the position of senior superannuates cannot continue. The last review was made in 1958, seven

years ago. There is a large body of retired public servants whose pension rates are based on low earnings in years past.

Between 1958 and 1963 there was an increase of 1 to 2 per cent per year in the cost of living and since that time the cost of living has increased further. Indeed, it has gone up by 3 per cent in the last year. We have got to do something for these people. To say they are going to get additional old age pension or are going to qualify earlier for old age pension is not sufficient. Most of them are already getting old age security but so is everyone else.

The man who has been a spendthrift, who has been a ne'er-do-well is entitled to old age security and it is not sufficient to say these superannuates qualify for it. We have to update the level of pensions under the Superannuation Act. What I say here applies equally well to retired members of the R.C.M.P. Last year I met a retired R.C.M.P. corporal, who is between the age of 65 and 70, and after a whole lifetime of service he is getting the munificent sum of $68.70 a month. This is not good enough. To say to these people, "We are increasing the old age pension and making it available earlier" is in my opinion a contemptuous dismissal of a legitimate claim.

Royal Canadian Mint—

35. Administration, operation, and maintenance, $2,701,000.

Mr. More: Since commemorative coins will be struck for our 1967 centennial can the minister assure the committee that Canadian collectors will have preference in obtaining them and that the supply will be adequate? I understand United States collectors have preference for coin sets in their own country and I think the same should apply for Canadian investors in Canada.

Mr. Sharp: Mr. Chairman, I should like to confirm that new coins are being struck for 1967. I saw the designs the other day and they have been approved. We are planning to issue the sets in boxes that are suitable for presentation and collection. We hope to make a little money out of this, apart from the ordinary seignorage, and I shall bear in mind the comments of the hon. gentleman to see if we can give some preference to Canadian collectors as against others, although perhaps fewer of the coins would be spent if they were owned by foreigners rather than Canadians.

Mr. More: I would not think so. I would not like the minister to get away with that comment because I think Canadian collectors do not spend such coins. We have had previous experience with United States collectors flooding the market seeking Canadian coins, which caused great worry for Canadian collectors, and I would not want to see that happen in 1967.

• (7:00 p.m.)

Mr. Howard: I understand from the press announcement made last fall that the set of coins for 1967 will contain all the decimal coin units from a penny to a dollar and in addition will contain a $20 gold piece. Is this still the procedure? Will that be the only set produced by the Royal Canadian Mint in 1967?

Mr. Sharp: Mr. Chairman, those are the coins, the designs of which I have approved and which the government has approved—the penny, the five, the ten, the twenty five, the fifty, the one dollar, and then the twenty dollar gold piece.

Mr. Howard: What I sought to ask is, will that be the only set of coins produced by the mint for distribution in the form in which they will be distributed, or in addition will there be the proof-like sets which are produced and distributed now, namely the penny through the dollar; will there be two types of sets in 1967?

Mr. Sharp: Obviously I am not a collector like my hon. friend, and some of these terms are confusing to me. Perhaps I could answer this when we come to the estimates for 1966-67.

Mr. Howard: Yes. I understand it is illegal to be in possession of gold in the United States produced after some date; at least there was a time limit. If such is the case, if the United States still holds to that prohibition, and I understand that an announcement to this effect has been made, then it would be illegal for United States collectors or investors even to purchase the sets from our mint, which would perhaps satisfy the thought raised by the hon. member earlier.

Item agreed to.

Municipal Development and Loan Board—

45. Administration, $216,000.

Mr. Thompson: Mr. Chairman, I think the importance of this particular vote is such that a few comments should be made in respect of it. We were pleased the other day when the

minister announced his intention of extending the expiry date of the Municipal Development and Loan Board, because had he not I believe many municipalities in the country would have been in difficulty in respect of completing projects which had been started under the provisions of this particular facility. I think the minister and the government of the day should take a real hard look at this particular point before they go into the final decisions regarding the new budget. We regret that this particular loan development fund was not made the beginning of a new approach to the problem of municipal financing.

I note the arguments the minister has put up with regard to the fund; but I think this fund has justified itself by the degree of participation of the various municipalities. The question of municipal financing in this country is the most difficult single problem of public financing, simply because the municipal authorities in particular face an unequal struggle for the tax dollar in so far as being able to finance those services which it is their obligation to provide. It has been true down through the years that some permanent facility should have been established in this regard. If my memory serves me right, I believe it was in 1938 that the municipal development and loans act was passed and in the meantime nothing very much was done to act upon this authority.

Mr. Chairman, unless something is done to assist the cities, towns, counties, municipal districts and villages in meeting the tremendous problem they face in financing the public developments, which basically are those services which it is their responsibility to provide, then we are not going to be able to progress as we should.

I would urge upon the minister and upon the government the necessity of getting down to this particular level of financing so far as the governments of our country is concerned. How can municipalities contend with the demand for schools, the demand for hospitals, the demand for water and sewage facilities, for streets, parks and all the rest when repeatedly they themselves have to go out to the public market, or often to the United States, to borrow money at tremendous cost—a cost which is so great that by the time the payments are amortized the expenditure for the use of the money has at least doubled and sometimes trebled the cost of the project they are seeking to construct. It is in this area that the federal government could do more than in any other way toward helping the local governments.

We in the Social Credit party for years have recommended that this is the responsibility of public financing. This is not to pay for the services which should be paid for by the taxpayer's dollars, but it is money for the facility that provides those services. That money should be available at lesser cost, and through an easier means than is presently available.

This would tend to lessen the tax burden; it would tend to decrease the cost to the government and leave more money in the pockets of the taxpayers for the essential cost of government at other levels which cannot be provided for in this way. We recommend now that the minister very seriously consider, before we enter into another year, that a permanent municipal loan fund be set up, not as a board but as a separate bank. We have the Industrial Development Bank, a bank which has served a very legitimate purpose in our economy in the post-war years. A bank which originally was intended to provide capital for high risk development and industry which could not obtain capital through the normal channels of finance. This bank has functioned well. It has authority as part of the Bank of Canada to expand its own credit. I believe the record will show that the expansion of its reserves has rendered an effective service. I would suggest, in light of the present financial situation, that the minister would be well advised to take the Industrial Development Bank and transfer it as the municipal development bank so that its credit would be available to the municipal governments for their capital costs.

If the Industrial Development Bank can do what it has been doing in the private sector of the economy, there is no reason why the municipal development bank as part of the Bank of Canada could not render as good a service for public financing. I believe this is one of the greatest needs of our whole financial situation at the present time. It would lift the burden and ease the problem in respect of education. It is evident that in the next ten years we will need $10 billion for school expansion alone. This is the kind of service which could be rendered to the municipal and provincial governments. I would urge the government and the Minister of Finance to take this into serious consideration.

A little while ago the hon. member for Halifax made a sarcastic remark about the debt free money. During the war we were

able to get money which was necessary to the country at cost, because of the national emergency. At one time Mr. Ilsley, the Minister of Finance, announced a bank loan for the financing of the war and someone asked how much it would cost. Mr. Ilsley replied that it would cost three quarters of 1 per cent. The hon. member then asked how he could get it at this when he personally had to pay 4 or 5 per cent, and the answer was simply that that represented the actual cost.

• (7:10 p.m.)

Perhaps you could not obtain money at the cost of three quarters of 1 per cent, but you could obtain it for less than 5, 6 or 7 per cent which is the price being paid for public developments. This is what we are referring to when we say that we should make special provision for another category of money, that for public financing. We do not refer to tax capital or private capital, which ought to come out of our own savings, but to public capital to provide for the tremendous financing need we have in this country for the facilities I have just mentioned.

One of the most important things the government ought to consider in the area of financing, aside from the expected reforms in the way of new legislation which must come in regard to the Bank Act, is the establishment of this new category. If the government gave consideration to the establishment of something of this kind, I believe it would provide a solution to one of our most difficult financing problems. I cannot urge or recommend in strong enough terms to the government that this be done. I am convinced that if some solution such as I have suggested was brought forward many of our financial problems would be solved. If the government does not wish to adopt my suggestion perhaps they could revert to the original 1938 legislation and put that into effect.

Item agreed to.

DEPARTMENT OF TRADE AND COMMERCE

1. Departmental administration including fees for membership in the international organizations listed in the details of the estimates, $5,664,700.

Mr. Irvine: Mr. Chairman, I should like to ask first of all whether, as is customary, the minister is going to make a statement at the present time?

Mr. Winters: No, Mr. Chairman, I did not plan to make a statement at this time, as these estimates are for the current fiscal year and I have not personally been identified with them. If there are any questions hon. members wish to ask I shall be glad to endeavour to answer them, but I do not intend to make a formal statement at this time.

Mr. Irvine: In that event, there are a few questions I should like to ask and a few statements I should like to make.

First of all I should like to ask the Minister of Trade and Commerce whether it is his intention to recall his trade commissioners to Canada for the purpose of attending a conference with Canadian businessmen so that they might renew their knowledge and energies and go out again into the world markets, with new vigour and sales know-how, to do something about the current deficit in our balance of payments and trade.

I have been connected with a number of businesses involved in selling. My experience is not as great as that of the minister, but it seems to me that sales organizations recall their representatives from time to time so that they can have a new look at their problems and survey the markets, before going out into the field again to make a concerted effort to increase their sales effectiveness. There is an old saying in the selling business, that when you review the things you think you know you get to know about the things you thought you knew.

I have an article in my hand from the London *Free Press* dated July 31, 1965 under the heading "Warning Signs Starting to Appear in Business Outlook, States Bank". The bank referred to is the Bank of Montreal. This item states in part:

> But the bank warns of uncertainty in the future of external trade, which had been one of the major sources of strength throughout the current business expansion. The review says there has been a growing gap between imports and exports in recent months.
>
> The bank said strong upward price pressures had appeared late in 1964 and, in the nine months to June, 1965, wholesale prices in Canada rose by more than 3 per cent. Consumer prices and most other prices also rose.

There must be a reason for that, Mr. Chairman.

In view of the statements that are alleged to have been made by the minister during the recent election campaign I wonder whether he is going to recommend the removal of the 11 per cent sales tax on production machinery and building supplies. I understand that such a statement was made by him, although I stand to be corrected if I am wrong. To my way of thinking this 11 percent sales tax is an unfair tax which is putting

many of our firms in what we might call an economic strait-jacket and is pricing them out of many foreign markets. Has the minister had any representations in this regard from two major groups in this country, and I refer to the Auto Parts Manufacturing Association and the Canadian Tooling Manufacturers Association? It is my understanding that if representations have not been made to the minister on behalf of Canada's eight major automobile manufacturers, they will be made very shortly.

I have in my hands another article which appeared in the Toronto *Globe and Mail* on February 5, 1966 under the heading "Grain output below target set by Soviet". The article states in part:

> Soviet grain production last year fell short of government targets by 30 million tons, a state planning official said yesterday.

That was an article which appeared in the paper on February 5, 1966. By simple arithmetic that 30 million tons would amount to a billion bushels of wheat. Perhaps the Soviet Union had budgeted for a surplus of some kind to their needs. However, this is a market we should be after, and I am sure the minister is now giving consideration to it. Perhaps we cannot obtain the whole market, but if we were able to get part of it this would be a wonderful opportunity to sell more of our grain. I should like to know what the minister's plans are in this regard.

We in this country have a very favourable balance of payments position with some of our Far East customer nations. Sooner or later these nations are going to demand a greater portion of our import business, and when that time comes we are not going to be in a position to turn a deaf ear to their requests. However, we find ourselves in the position of putting all our eggs in one basket: We are now doing 75 per cent or 80 per cent of our import business with one nation, the United States. This creates another very important problem.

• (7:20 p.m.)

I know that all hon. members in this house and everybody in the country must be interested in the recent guide lines established by the United States government as they affect subsidiaries of American owned companies in Canada. This is a very serious problem and is something with which we have to deal. I should like to say that I do not believe these guide lines were aimed at us in the first place. The United States finds itself in a very poor position with regard to its balance of payments and laid out these guide lines for subsidiaries of American owned companies in all countries throughout the world. But it happens that we are the ones most seriously affected because we have a very, very poor balance of payments picture with regard to the United States.

In conference this week end I hope the Minister of Trade and Commerce, together with the other ministers who are present, will arrive at some kind of agreement whereby we will be exempt as a country from those guide lines. Imagine reducing the amount of U.S. capital in Canada, returning larger dividends from these subsidiaries to the United States or decreasing Canadian exports to the United States. These are some of the guide lines that were imposed. Imagine also increasing United States exports to Canada. What position does this leave us in? These are matters that are very important to every Canadian taxpayer today, because they constitute a threat to our economic sovereignty.

This threat to our economic sovereignty comes about through strong controls of businesses operating in Canada. Further, Mr. Chairman, insisting that United States subsidiaries operate in Canada in such a manner as to increase our balance of payments deficit will have the effect of decreasing our competitiveness in world markets by increasing our costs of production. It would make it almost impossible for Canadian businesses to compete for Canadian capital. Where do we go from here? Perhaps this is the time to establish our own guide lines. We must do something to protect ourselves and Canadian business. We are in a vulnerable position because this year our balance of payments deficit amounts to approximately $1½ billion.

I remember reading in *Hansard* some time ago that a minister made the statement "What's a million?" I am wondering whether the present Minister of Trade and Commerce will increase that figure and say, "What's a billion?" This is a serious situation and is something we cannot put up with; something must be done in this regard.

I know this is a new portfolio for the minister. I also know it is the custom for a new broom to sweep clean. We certainly hope it does, because somehow or other something must be done to alleviate our balance of payments position, which is in a deplorable condition. No business can continue, no matter how big or how small, if it pays out more than it takes in. Nor can we do this with our

trade and commerce accounts; it just cannot be done.

It is my feeling that some arrangement could be made this week end in the conference with the United States officials without necessarily affecting our relations with the United States, because certainly this would not be our desire. Our future is so closely interwoven with that country that we would not want to see this relationship harmed. They are a financial and industrial giant next door to us. Here we are, a somewhat larger nation with great natural resources but limited money with which to explore these things, and somehow something must be done about this problem. Mr. Minister, we depend on you.

In making such an arrangement we must at the same time preserve the great spirit of unity that exists between our two great countries. We cannot do this by handing over to the United States our economic freedom and perhaps our sovereignty as a nation. We must cling very jealously to our economic sovereignty, to our identity as a nation. Canada and the United states have lived side by side in peace and harmony for 150 years, with no guns, no forts. The entire world envies the association we have had together as nations with just an imaginary line between us. It is not a line to separate us, but rather to hold us together as two races of people with but one common purpose—life, liberty, the pursuit of happiness, the dignity of the individual.

The United States of America owns at the present time 62 per cent of our petroleum industry. They also own or control over 50 per cent of our manufacturing industry. I believe it is about time we grew up as a nation. I should like to ask the minister a few questions. I shall not ask facetious questions because I do not believe in them; I am asking them in the interests of Canada, as a Canadian. What are the minister's plans? What is he going to do about the deficit in our balance of payments, or what is he going to attempt to do? We do not think, of course, that the minister will be a cure-all for every problem but I am sure all hon. members will go along with him as long as he is attempting to do those things that we consider to be in the best interests of Canada.

I should like to know what the minister's policy is going to be with regard to the Department of Trade and Commerce. I should also like to know—and I mentioned this before—what he is going to do about the 11 per cent tax on production machinery and building materials. Fourth, I should like to know, is he going to do everything in his power in an endeavour to protect our sovereignty, or is he going to permit us to become vassals of another country, friendly though it may be?

Mr. Howard: Mr. Chairman, it does seem somewhat unique that we have a minister who at the first opportunity in presenting his estimates refrains from outlining to the committee the plans he has in mind or what has been the situation during the past year. It sort of leaves one groping in the dark, as it were, about policy, about the attempts and accomplishments of the Department of Trade and Commerce.

The minister did say that he refrained from making what is called an opening statement because he is so newly attached to the department and most things happened under the wing of his predecessor, the hon. gentleman who is now Minister of Finance. There could be some substance to this as a reason, but it seems rather incongruous when placed against the fact that the minister's press release people seem to be working overtime in churning out reams and reams of press statements, speeches, copies of speeches made by the minister, appointments and activities within the department since he took office.

• (7:30 p.m.)

It seems incongruous also that the minister would take up time during the Throne Speech debate to make a rather lengthy speech about the activities of his department. Now, are we to take that speech which was delivered on January 28 and substitute it for a statement which he might have made at this time? This is difficult to say. However, it does seem rather strange that the minister would adopt the course of being silent tonight and be desirous only to answer questions. So far as I am concerned, the ministerial position is not one solely of listening, not one simply of answering questions, but should be one primarily of enunciating and developing policy from time to time to parliament and the public. Then we in Canada would know what it is the minister and his government are trying to do. It is not possible to be in this position if the minister simply answers questions. In my opinion it was somewhat of an affront to the committee for the minister to say, so casually, that he was not interested in making any statement at this time, that he was not interested in laying before the committee some ideas with which the committee could agree or disagree. However, this is his decision and he has made it.

One of the minister's speeches, a copy of which we received by way of his public relations men, was of interest to me. I should like to quote just one or two sentences from it because I feel there is something extremely significant here in so far as the relationship of a public servant and a particular section of our country is concerned. This is a speech the minister made to the Board of Trade in metropolitan Toronto on January 24. I gather from reading it that it is a sort of coming back home speech. His comments were related to the fact that Ottawa is sort of removed from what he considered to be the centres of commerce of the nation. He said, and I quote:

—it is all the more important to make special efforts to maintain close liaison between the business community and those who are responsible for developing of economic policies for the country as a whole.

At another point, he said:

There is widespread desire on the part of business executives to be actively helpful to those who have the responsibility to govern the country.

I take it he means helpful at election time, to fill the coffers. This would be the type of help most sought after. I shall not read much more from this speech. Toward the conclusion of it however the minister said:

In any event, my training over the past eight years—

That is, his training in the business community.

—should better enable me to consider and weigh the impact on the business community and on the economy as a whole, of decisions that are contemplated in the national interest. In this, I am looking to you, the Canadian businessmen, for advice, guidance and support.

All through this particularly interesting and revealing speech, there was an indication that the minister thinks of himself as nothing more now than the business agent of the Canadian Manufacturers' Association, not a minister of the crown ministering to the needs of the economy and the needs of the Canadian public. He seemed to be particularly oriented to one section of the economy, namely the business section. We all know that when businessmen have their way and their sway on such as the Minister of Trade and Commerce and others in the cabinet, the likelihood is that the public interest will come second. Even though the minister has resigned various directorships in companies, I think it is regrettable he sees fit to maintain this extremely intimate association with one group in the economy to such an extent that it may injure his impartiality and fairness of judgment in dealing with some matters that come within the scope of his department.

[Mr. Howard.]

Canada's primary role historically in world trade has been one of exporting what we loosely call the raw materials, and of importing the finished products. Because we have followed that course steadily over the years, we find ourselves in the position referred to by the hon. member for London, tighter and tighter in the grip of the nation to the south. We find ourselves in this position because of the prominent position of the United States in world affairs, because of the relative size of their population compared to ours, because of its proximity to us, because of the relative wealth of that nation as compared to Canada and because of some factors contained in domestic policy within Canada. Since we have been historically an exporter of raw materials, for which we receive a low return, and an importer of manufactured or finished products, for which we pay a higher amount, we find ourselves increasingly in an extremely awkward position.

The minister recognized this on January 28, at which time he said, and I quote from page 385 of *Hansard*—he was talking about the trading account, the current account, balance of payments and so on:

It is therefore important that all elements in this equation realize the circumstances and bend every effort to improve our exports, while at the same time keeping our imports within reasonable limits and financing in Canada as much of our development as possible.

If I may read between the lines there, I think the minister would not disagree if I were to suggest that when he was referring to improving our exports he meant improving our exports of manufactured goods as opposed to improving our exports of prime raw materials. I am sure he would not disagree with me, either, when I say that when he talks about improving or keeping our imports within reasonable limits, he is talking in terms of keeping our imports of finished products within reasonable limits so that there will not be this continual drain upon the wealth of this nation—since we find ourselves always in debt and on the wrong side of the balance.

• (7:40 p.m.)

I would have thought this would be one of the things about which the minister would feel glorious in telling us. We would be interested to know what it is that he and his government intend to do when they bend every effort to improve our exports and to keep our imports within reasonable bounds.

In my opinion, this is the crucial part of the speech he made on January 28. The reference is to the most important facet of our economic activity. I feel the minister owes the house and the country a complete, detailed explanation of the policies, attitudes and plans which exist in order that the government, as one part of this group, may bend every effort as the minister suggests. At some subsequent time in his estimates I am sure that we shall want the minister to give us in great detail what he is doing in that regard.

Even in light of the minister's remarks of January 28 and in light of some of the press releases that pour out of his department, and in light of statistics he has used, Canada cannot be said to have improved her position. It remains a fact that in the last ten years, ended in 1963, our exports, though to a large extent exports of raw materials, have grown more slowly than world exports generally. It remains a fact that our manufactured goods, which are of prime importance in these considerations, account for a smaller share of Canada's exports and for a larger share of Canada's imports than is the case within any other industrialized nation in the world. In other words, Canada is at the bottom of the list. Canada is in the position of being worse off than any other industrialized nation in the world, because Canadian manufactured goods comprise a much smaller share of exports than is the case with any other nation, and a much larger share of imports than any other nation.

If it is true, as the minister indicated in his speech of January 28, that we suffer by exporting raw materials and importing the finished products, then because of the fact that we are in the worst position, relatively speaking, of any industrialized nation in the world, it follows we are in the worst position of any industrialized nation in so far as the deficit of our balance of payments is concerned. Regardless of the blandishments issued from the minister's office, regardless of the phrases used, and the juggling of figures and statistics to show that we are doing this and that Canada's position is worsening. The fact of the matter is that we are and have been for many years getting into an increasingly worse position.

I think there is a sort of four fold blindness on the part of the government in this matter. It exists with respect to developing the economy of the nation, and with respect to our relationships with other countries in so far as trade barriers are concerned. One of the blindnesses I refer to is, in effect, that we place all our eggs in one basket. One form of blindness which was recognized by the minister, although nothing worth while was done about it, is as stated by the minister at page 383 of *Hansard*, where he says:

> Canada's exports to the United States have maintained a strong upward trend during this period—

He is talking about the past three years here. He continues:

> —having increased by 13 per cent in each of the past two years. Imports from the United States have also risen sharply and Canada's trade deficit with this country has been growing.

He went on to make other remarks about the situation respecting foreign ownership, and so on. The gist of the remarks with respect to the United States is that because of our import-export relationship, and because of the degree to which the United States controls and dominates industry in Canada, and perhaps not so much because of our own foolhardiness in permitting this, we are in an extremely vulnerable position.

The least little change in the economic climate of the United States affects us to a far greater degree than it does that country. If there is a decline in economic activity in the U.S. we feel it immediately. If there is a desire on the part of the United States government to curtail some activities of its companies in the United States, we feel the brunt of that through subsidiaries in Canada. By placing all our eggs in one basket, by continuing to feel an affinity because of closeness of language, and because of geography, and the desire to follow that affinity through so that it is reflected in our trade patterns, we are increasing our vulnerability. This was recognized for some years, and was recognized during the time the Conservatives were in office. I was interested in listening to the words of the hon. member from London with respect to this situation.

I point out to my hon. friend from London that during the time his colleagues were in office the only method of direction with respect to companies under foreign control was the Corporations and Labour Unions Returns Act, if I remember correctly the title of the law, under which trade unions and companies were required to disclose to the dominion bureau of statistics the extent to which they were owned or controlled, or associated with foreign companies. Anything of substance there was not: anything concrete, that dealt with this question was pushed to one side, or

forgotten. Therefore that was blindness then, just as much as it is now.

I think also that we are making ourselves more vulnerable by placing undue reliance on prospects of success in the Kennedy round of tariff negotiations. You may recall that I asked the minister if he wanted to report to the house about his meeting in Geneva with trade commissioners and other delegations with respect to the Kennedy round of tariffs. He said at that time that he was going to wait until the estimates of his department were before the committee. I thought this was one thing he would be champing at the bit to talk about. So far he has felt somewhat bashful about getting into this field.

If as we have done in the past, we place too much faith in the prospects of something worth while coming out of the Kennedy round of negotiations, and then find that such is not the case after they are completed, then again we shall be in a position of being more vulnerable, and we shall suffer more thereby.

Another area of blindness is that we have failed to recognize fully the impact that the growing and developing trade blocs will have on world trade patterns. Examples to which I refer are the European Common Market, the European Free Trade Association and like organizations. Relatively speaking we have remained aloof from these. We have maintained trade relationships only with our Commonwealth connections. We have not established connections, or have failed to maintain connections with others.

This I submit is a failure on our part. We should be searching diligently to find ways and means to increase our exports into areas such as the Common Market, and E.F.T.A., because in those are developing industrial nations that will require machinery and manufactured goods. I think it is well established that industrial nations tend to trade with each other on the basis of manufactured goods for manufactured goods. It is not a situation in which we export raw materials to a country which processes them into a finished product that we import back.

We have also failed to take firm steps to develop extensively our own secondary or manufacturing industries. In order that we should be able to increase our production of manufactured goods, and reduce or lower some of the tariffs or other barriers to international trade, we should be in a position to export finished products, thereby bettering our position vis-à-vis other nations.

[Mr. Howard.]

• (7:50 p.m.)

The European Economic Community, as an example of what could be done, is, I am told, by far the largest importer of goods in the world, accounting in 1963 for some $24.6 billions of goods. The other day the minister gloated over the fact that exports in Canada were pushing $1 billion, indicating that this was very big business indeed. It may be very big business indeed as far as Canada is concerned, but when the bulk of these exports are raw materials, just think what it would mean if we could take these materials, convert them here into manufactured articles and export those manufactured articles. Our exports might then be worth three or four times the figure the minister quoted. In Europe, as I have mentioned, we find a group of nations who are importing goods to the value of $24.6 billion. The figure for the Free Trade Association—the second largest importer in that area—is $19.3 billion. There is a tremendous market there and I think we should be searching out ways and means of getting into it.

We are seriously concerned about what the minister and his department are doing in a concrete and determined way to cope with these problems. You cannot cope with them by increasing your public relations staff or by churning out press releases day after day. I get more mail from the minister's department than I do from anybody else in Canada including the other government departments, all of it with a fine red banner on the top, all of it containing press releases about speeches the minister has made or trips he has taken or visits paid by manufacturers to other countries, or things they have sold, or how much business has been written up at some trade fair. My hon. friend here says the minister has some close competitors in the cabinet. I am probably not on the mailing list of his competitors, but I do get swamped by material of the public relations type from the minister's office. It is interesting. I like reading about the chit-chat he had with his old buddies back on Bay Street on January 24 when he said: Never worry; I am still with you; if there are any problems, call me at my office and I will fix them. Those are not the actual words he used but that is what he meant. We are more interested in hearing a detailed explanation of the plans the department has made and what it is doing.

It may be true that nothing can be done about the 12 months which have passed. They have gone by, as the minister has said. But there is another year ahead. Never mind

waiting for the estimates of the next fiscal year. Tell us now. There is no better time. Let the minister follow the advice of his colleague the Minister of Labour. Why wait for spring? Tell us now what you are proposing to do.

There are one or two other matters on which I should like to comment. There is the possibility of exporting more goods from our secondary and manufacturing industries. I have been in some doubt whether this should be raised under the estimates of the minister's department or under those of the Department of Industry. I have read the relevant sections from the annual reports of each of these departments and, frankly, I am thoroughly confused, because the Department of Industry deals at length with questions involving exports and the balance of payments, questions in which I thought the hon. gentleman was involved, while the report of the Department of Trade and Commerce finds time to deal with a variety of other matters.

Mr. Winters: Industry.

Mr. Howard: I understand the minister to say it should be dealt with on the estimates of the Department of Industry. I hope this is not one of those situations when we find the Minister of Industry in turn telling us: You should take this question up with my colleague, the Minister of Trade and Commerce who deals with this matter because he is so concerned about its effect on our balance of payments.

The revealing part of what the minister has just said is that there is conflict—and he knows it—between his department and the Department of Industry over who should be dealing with what. There is a misunderstanding about guide lines for operations in each of these departments. And within the departments themselves little kingdoms are growing up. The kings themselves are not interested in stepping out of their niches, or in relaxing their control over certain parts of the public service. As a result, the Canadian people suffer. Nevertheless, we can all fully understand the importance of the manufacturing and secondary industries and their relation to the work of the Department of Industry.

We should like to know from the minister how much Expo 67 is likely to cost the Canadian public,—not that we want to leave the impression that Expo 67 should fail or that it is in trouble or that difficulties are brewing. But we should like to know.

At the time of the establishment of the corporation an understanding was given to parliament that a certain maximum amount of money would be contributed out of the federal treasury. I think we have far overstepped the maximum set out in that statute by making payments in other ways. I ask the minister to set out in as much detail as he can figures showing how much Expo '67 is likely to cost the Canadian taxpayer by reason of the federal government's participation. I am sure the Canadian public, bearing in mind that Expo '67 will be commemorating our 100th birthday, something of which we shall be proud, will not mind knowing what the tax bill is likely to be. I am sure that the Canadian taxpayer, whether he lives in Quebec or anywhere else, is concerned that this trade fair should be a success, first because it is in Canada and next because it will take place at a time when we shall be celebrating our 100th birthday.

These are the questions I should like the minister to answer. The most important one is this: What is his department doing to increase our exports of manufactured products? What is he and this government doing to try to get through the trade barriers which other nations are erecting at this time. What is this government and this department doing to increase the strength of our secondary or manufacturing industries?

• (8:00 p.m.)

Mr. Winters: Mr. Chairman, before this gets too far ahead of me I think I should comment on one or two of the points made, very good points indeed. There is very little in the speech of the hon. member for London with which I could disagree. He propounded a number of economic theories that are sound and with which I agree. We must generate a climate in this country even more than now that will be favourable to exports, to encourage secondary manufacturers to produce more goods of the kind that can find their way on to the markets of the world; and through the instrumentality of the Department of Trade and Commerce, and otherwise, we must see that the doors are open to the world markets. We are endeavouring to do that.

In the department I have found a corps of excellent trade commissioners. I had the opportunity of meeting 29 of them from 25 countries in Paris a few days ago. We spent a very good day going over the prospects for trade in the countries they represent. They

expressed the desire that more Canadian businessmen should visit their areas so that there would be an opportunity for them to have more Canadian goods flow on to those markets, but always with the understanding that they must be competitive in price, quality, and service.

This is a fiercely competitive market but Canadian exports are growing in quite an encouraging way. There is a great deal of work to be done and we have to develop ways and means of getting the optimum benefit from our efforts. I have been in the department less than two months, but the officials of the department and I are planning programs to have the Canadian business community become more closely associated with the trade commissioners, so that they will know of the facilities offered by the trade commissioners, the opportunities available in the areas they represent, and so that the commissioners in turn can be more closely attuned to what is going on in Canada, so as to be fully familiar with the products that are available for export.

With respect to the very important matter of guide lines raised by the hon. member, we in Canada have been considerably concerned about the impact that any rulings made abroad might have on Canadian industry. The Minister of Finance has expressed his concern about the financial aspects of the guide lines.

As hon. members know from some of the press releases that have been referred to—I may say I have no public relations man at all in my office, and it is a matter of surprise to me that there is a flood of publicity material going out from my office because I have not seen it—

Mr. MacInnis (Cape Breton South): You are not on the mailing list.

Mr. Winters: Yes, I might not be on the mailing list. Hon. members know we have consulted certain companies about the guide lines, and the answers we received from them are that, to date, the guide lines have made no impact on their financial programs, on their pattern of dividends, their pattern of payments to their parent companies, or their patterns of purchasing and exporting. Of course there is always the shadow of the guide lines hanging over us, and we intend to discuss this most seriously and searchingly in Washington this week end.

The majority of the companies in this country can protect themselves against the guide lines. They are good, corporate Canadian citizens and wish to remain so. The imminent danger, if there is one, is for the small companies who are apt to feel more quickly the impact of any financing problems that might arise in the country, and may also be less likely to know how to conduct themselves as good, corporate Canadian citizens within the framework of the Canadian economy. We are endeavouring to work out programs which will give these companies the guidance they might need as to how they should conduct themselves between the guidelines on the one hand, and what we regard to be good, corporate behavior on the other.

We in the department are prepared to offer as much guidance and advise as we can, and we shall establish codes of conduct that will enable them to conform to the best Canadian business ethics, as we understand them.

The hon. member for Skeena referred to my association with business and he thought I was a little one sided on this. He quoted my speech in Toronto as evidence of that fact but, Mr. Chairman, he quoted only a certain passage of it. I thought that at the same time I challenged the business community to conduct themselves so as to give expression to all aspects,—all the aims, and aspirations of the society they serve. I quote only from one page, page 4 of my speech, but there are other references I could give, because these are not the only remarks I have made on the subject:

> My own philosophy, however, is that the more good decisions that are made in board rooms, on the factory floor and across the negotiating table the fewer will have to be made in cabinet chambers—

—about the conduct of business.

> To the extent that the public mind is convinced of the basic strength and purpose of present day private enterprise and its concern for the welfare of the community as a whole there will be less call for measures which restrict or regulate.

I am glad to be able to say, from my modest association with the business community, that I believe most business executives of this country, and others I am sure, are fully impressed with the need to develop the kind of programs that provide the optimum benefits and security for the people within their employ. I think it is a fact too that within the framework of some large corporations in this country there are higher levels of welfare measures than the country as a whole provides. I believe there is a good trend in this country with respect to the

responsibility of private enterprise, and what I said about it in that speech in Toronto reflects pretty much the attitude which businessmen take today toward the people for whom they are responsible.

Mr. Howard: Would the minister permit me one observation? He quoted from his speech at page 4, but he had some words inserted, and the insertion of those words alters the text I have here.

Mr. Winters: I do not understand why one text should be different from another, but I will see the hon. member gets the text with all the remarks I have made.

Mr. Howard: And I will give you a copy of this one so that you will see everything that goes on in your department.

Mr. Winters: Thank you. The hon. member talked about exports, and the desirability of stimulating manufacturing in this country and cutting down the gap between imports from the U.S. on the one hand and our exports on the other, with all of which I agree. We must make every effort to export from this country. To do that we have to keep our costs down.

The hon. member for London mentioned one item of costs, the 11 per cent sales tax. He asked what was my position on that. I remember making a statement on that subject in response to a question on the Saturday before the election. It was reported in the *Globe and Mail* and when I read it the next morning I was surprised how carefully I had chosen my words on that occasion. But I did say at that time I was in favour of the abolition of the 11 per cent sales tax—which, of course, I am—at the earliest possible moment, when the government could do this consistently with its requirement for revenues or if needed to stimulate the economy of the country. Nobody likes taxes of any kind. They add to costs, to the burden of doing business, and when they can be eliminated I am sure they will be eliminated by this government, or any other government that has tax problems confronting it.

Mr. Churchill: May I ask the minister one question?

Mr. Winters: Certainly.

Mr. Churchill: I was interested in the minister's statement with regard to the 11 per cent sales tax and his wish that it be removed at the earliest possible moment. I hope that that will not be interpreted in the same way that the Prime Minister's promise to negotiate out of nuclear arms has been interpreted. That has gone on for three years. "At the earliest possible moment" in the words of the minister, means some time this year, right?

• (8:10 p.m.)

Mr. Winters: Of course that is a matter for the Minister of Finance, as the hon. member knows.

Mr. Starr: Are you not going to ask him?

Mr. Winters: I have given you a little background history in this regard. This is one element of cost, and we must do everything we can to reduce cost in this country. The automobile pact is one of the best examples of where we can expand trade by getting the benefit of the long runs and mass production which are available to our competitors south of the border. Perhaps this can be carried into other fields.

We must become competitive. I think we must concentrate on those things we do best. It is difficult to pinpoint those commodities now, but I know that within good companies management seeks to do those things which they do best. I believe that in a country we must also seek to isolate the things we do best and concentrate on them. In this country we are blessed with abundant natural resources, more so than perhaps any other country in the world. It is natural and logical that the goods we produce should be related to our resource industries.

The country is growing and we are developing more secondary manufacturing. If the hon. member had read the speech I made in Paris, he would have noted that I advocated more production and more export of our manufactured goods. That would have been a good speech for the hon. member to quote.

Mr. Bell (Saint John-Albert): Does the minister realize it is very difficult to keep up with these speeches, which have been coming very fast.

Mr. Winters: I have not been able to keep up with them either. The hon. member mentioned Expo, which is a project that should be supported by all Canadians and one in which we should take great pride. It will reflect the best of Canada to the eyes of the world. We have a great many things we can show with pride. This is a program which was embarked upon by the previous Progressive Conservative government, and I give them credit for that. However, at the

same time once they embarked on that program they I am sure and the Canadian public must have recognized it was an expensive undertaking, if it is to be done well, and that is the only way it should be done.

It is quite apparent there will be a budgeted deficit. If everything goes in the best possible way and patrons flock to the gates of Expo, the deficit may be reduced or eliminated, although I doubt the latter. The last forecast is for a deficit of $61 million. In that kind of budgeting one can estimate the expenditures reasonably well; but it is almost impossible to estimate how many people will go through the turnstiles. So it is an estimate that may be increased or decreased. The budgets are being revised continuously and are being brought up to date at the present time. However, the secondary benefits will be very great. It is estimated that Expo will bring more than $1 billion into Canada, and one of the directors who now sits on the benches of the opposition estimated that figure to be well over $2 billion.

It is also estimated that the tax revenues from Expo that the federal and provincial governments together will receive will be more than the deficit is estimated to be. Those are estimates; but the fact of the matter is this is going to be a great institution. This will be the greatest exposition ever staged by any country in the world, and I can say that with confidence because there are many yardsticks to support the statement.

I refer to the number of countries already signed up, the number of tickets sold in advance, and other yardsticks. Based on and judged by the many yardsticks, Expo holds the promise of being the greatest exposition put on anywhere. It should be a matter of signal pride to Canadians and I urge everybody everywhere to get behind this great undertaking and support it in the best tradition of Canadians.

[*Translation*]

Mr. Caouette: Mr. Chairman, no one will deny that, having been associated with various industries for the past several years, the Minister of Trade and Commerce has acquired a fairly complete experience in that field.

We have before us now the estimates of his department, one that will have cost the Canadian people $82,340,040 for the fiscal year ending March 31, 1966, that is at the end of this month.

Mr. Chairman, I was glad to hear the minister tell us how much he expects, for Canada, from the world fair which will show a deficit of something like $61 million but which, on the other hand, will bring billions of dollars to Canada and fill the coffers of the various governments—municipal, provincial and federal— with hundreds of thousands, even hundreds of millions of dollars.

That is probably why the minister hopes that the 11 per cent tax on building materials will eventually be abolished. We hope to make a profit with the world fair.

Mr. Chairman, I shall not be long but I should like to draw the attention of the Minister of Trade and Commerce on the balance of payments with the United States and urge him to try to find out why this balance shows a deficit.

The minister has his explanations, so has the government and so have we. We believe that the agencies of the department, which are scattered abroad to promote Canadian goods and products manufactured in Canada for export, do not give the results which we have the right to expect.

• (8:20 p.m.)

First of all our foreign trade or our sales to other countries seldom bring us any profits. We sell our products much below cost to the United States as well as to other countries. That is undoubtedly why our balance of payments shows a deficit or it might be because we owe more than is owed us especially by our neighbours to the south, the United States.

Mr. Chairman, the minister is undoubtedly aware that our trade with the United States boils down to selling them raw materials. We do not sell manufactured goods to the United States but raw materials, iron from the Ungava, water from British Columbia or any other natural resources; we sell our raw materials to the United States and at prices lower than production costs.

The United States process those materials and bring them back to Canada as manufactured goods.

A little earlier the hon. member for Skeena (Mr. Howard) mentioned it and rightly so. The minister said that was a problem for industry. Well, not primarily; it is definitely a matter related to our foreign trade because the minister undoubtedly knows that if we processed our raw materials in Canada, if we had more secondary industries, for instance in my own region, where we produce copper in large quantities, if we had secondary industries, not only gold, copper or zinc

mines to process those materials, it seems to me that Canada would benefit from it.

It seems to me that we could sell at a better price to the United States and to other countries. Then, our people, our country, Canada, would benefit to a large extent.

I sincerely believe, Mr. Chairman, that Canada is being drained of raw materials by the United States. The United States have to get them here. They have to get iron here. They had to ask British Columbia and the Canadian government for water from the Columbia river. For instance, they will have to ask for water from James Bay and Hudson's Bay for the Great Lakes where the water level drops every year. As a matter of fact, they have already done so. The United States have to come to us.

It does not mean that we should take advantage of the situation, but it means, for instance, and very clearly, that we should at least take advantage of the privileged situation where we find ourselves. And there is no doubt that we are in that situation.

Mr. Chairman, it seems to me that an incentive to the establishment of secondary industries to process our raw production at home, would help considerably, and that the United States would nevertheless come and buy from us finished, or at least, semi-finished products which would yield millions and millions of dollars in profits to Canada instead of our having a balance of payments.

Besides, Mr. Chairman, the minister is very well aware of this. As I said a few moments ago, he has undeniable industrial experience. He knows very well that if we had secondary industries in this country, the Canadian people would derive profits from them. Then, we could perhaps consider lowering taxes, lowering the sales tax on building materials, etc.

I do not intend to speak very long on this vote No. 1 of the Department of Trade and Commerce, but I call the Minister's attention to the fact that it is important, and I believe in his good faith and his goodwill to stimulate the creation of secondary industries in this country, not only in Toronto or Montreal, but in other areas, and those areas where the raw materials exist, such a Rouyn-Noranda, or Val d'Or, where there is copper. And the same applies to eastern and northeastern Quebec and to Ungava, to northeastern Ontario, such as Timmins, Cochrane, Kirkland Lake. Everywhere, secondary industries could be created in order to industrialize the country to a greater extent. Such industries should be created as soon as possible to put to work all our labour force and all our skilled workers. The Canadian people would be the first to profit by this natural wealth by using it to their own advantage and by putting it at the disposal of other countries later.

Mr. Allard: Mr. Chairman, on consideration of the estimates of the Department of Trade and Commerce, I wish to raise with the minister a problem of great concern to the constituents of the constituency of Sherbrooke, as well as to numerous Canadians. I refer to the recent U.S. decision to cut investments.

A few moments ago, the Minister referred to this in his short speech. I do not have to recall here the mechanism and the background of that decision of the United States which is to remain in force until February, 1967. They are well known.

However, I wish to reflect on what we are told and on what should be done to reduce as much as possible, its bad effects on our country.

The Minister of Trade and Commerce maintains that it is not proven that the American guide lines affect Canadian subsidiaries of American companies.

It should be noted, in the comments of the Minister of Trade and Commerce, that this embarrassment was not openly shown until now, but the minister does not tell us in sufficient detail his concern for the days to come.

Mr. Charles Chartier, general delegate of the province of Quebec to New York, said that until now the measures taken by the United States do not unduly affect Canada and that, for the moment they only diminish temporarily the importance of New York as the capital of international finance.

But this general delegate of Quebec does not specify what present limited effect these measures have on Canada and what would be their future implications.

In an interview given on February 10, 1966 to the New York *Times*, the premier of Quebec, Mr. Jean Lesage, said that the measures taken by Washington would be harmful to the growth of the province of Quebec.

On the other hand, in addition to denouncing the direct intervention of Washington in the Canadian economy Hon. Eric Kierans, Quebec Minister of Health foresees serious

consequences on the structure and organization of the Canadian economy. He foresees a harmful increase in our trade deficit with the United States, and lower profits for American subsidiaries in Canada. That is the opinion of a responsible man, which creates worry and disappointment.

• (8:30 p.m.)

Let us study briefly, Mr. Chairman, the concern expressed summarily by Hon. Eric Kierans. He states that the guideline was given by the Secretary to the U.S. Treasury, Mr. Henry Fowler. The American Congress did not study the matter, nor did it enact any law in this regard. American capitalism is controlled by a handful of men who try to achieve the political objectives of the country without consulting Congress.

Mr. Kierans still claims that the decision constitutes foreign meddling in Canadian business and keeps us from being masters in our own home. It is a violation of Canadian sovereignty.

Such decisions, adds the Quebec minister, affect our growth, our development. Before taking them Washington should consult its branch offices, Ottawa and Quebec.

It is clearly up to Ottawa to show all those companies, subsidiaries and others, what their responsibilities are as Canadian citizens, and those are to seek a higher rate of growth, increased efficiency and a more intensive use of our resources and skills. Ottawa is entitled to full explanations as regards changes in the distribution of dividends, in the investment policy and in the purchasing system. Ottawa should also ask for reports on transactions made between Canadian subsidiaries and their American parent companies.

According to the Quebec minister, the Companies Act should be amended in order to redefine the status of private companies. The majority of subsidiaries do not inform the public about their activities in Canada.

In Great Britain it appears that a company is not considered a private company, and therefore exempt from informing the public, if some of its shares or bonds are held by an incorporated company. Canadian-owned companies having to file financial reports are in an unfair position as compared to American subsidiaries which do not have to do so. Of course, this creates unfair competition, concludes the Quebec minister.

There you have, Mr. Chairman, the opinion of a responsible man creating concern and deception.

[Mr. Allard.]

As for the governor of the Bank of Canada, Mr. Louis Rasminsky, he advises against raising prices and production costs without, however, intervening directly in the debate. The situation will be rosy: on the one hand, American investments are refused Canada and, on the other, Canadians will not obtain as much credit from the banks.

Mr. Chairman, the situation is serious, even alarming. What are the government and the minister doing at the beginning of this crisis? Very little, indeed.

We have already begun to feel all the ills we shall experience because of the decision of the United States and the apathy of our government. Allow me to list a few of those ills: hardening of Canada-U.S. relations; increased friction between federal and provincial governments; increase of our discount rate from 4½ to 4¾ per cent; postponement of many works; slowing down of our economic development; increased unemployment; higher prices and costs; increased trade imbalance with the United States; decrease of our exports; financial disturbances in Canada; decrease of fiscal receipts and of per capita income; increased poverty and destitution in Canada.

I admit, Mr. Chairman, that those prospects are not too bright, but it is better to face the situation squarely than to bury our head in the sand.

From the shades of meaning of the remarks made by Messrs. Chartier, Rasminsky, Lesage, Kierans and the Minister of Trade and Commerce (Mr. Winters) and in view of the events arising out of the American decision, three facts emerge: (1) Canada's economy, money and finance are too highly dependent upon the United States and to date, our country has not shown enough awareness and foresight in its policy, being often thrown off balance and surprised by decisions of our neighbours to the south.

(2) Our economic, financial and monetary policy lacks Canadian characteristics and a definite orientation.

(3) Confronted by policies initiated by other countries, including the United States, our government is timid, easy-going, if not altogether soft, ashamed to complain or to react.

It is not enough to record present and future inconveniences for Canada and to be satisfied with recriminations. The government, the Minister of Trade and Commerce (Mr. Winters), the Minister of Finance (Mr. Sharp) and the whole government must act

together, with dispatch, and on several fronts simultaneously.

If the minister was unworried as to the consequences upon Canada of the recent American decision, I recommend that he immediately order a study in that connection and that he publish the report at the earliest possible moment. I am inclined to believe that the apprehensions of many Canadians are well founded.

• (8:40 p.m.)

Mr. Chairman, I would not want to talk too long about a suggestion which seems reasonable to me. According to the president of the Royal Bank of Canada, Mr. W. E. McLaughlin, Canada should contemplate bringing to an end the agreement on our exchange reserves. That might increase slightly the cost of our loans, but we would have free access of the American market and would no longer have to hinder our monetary policy by maintaining our reserves at a pre-arranged level.

With regard to foreign investments, looking for new sources of capital would help us to maintain a better balance. We could go to other European countries who are anxious to invest abroad.

I hope that when he was in France recently, in Paris particularly, the minister had the opportunity to invite the French people and the French businessmen to invest more capital in Canada.

Why not create also in Canada a national investment board to better co-ordinate our long-term needs in capital and find the best places in Canada to use it? We are proceeding at random.

The Bank of Canada should play a more active role in the present economic circumstances by putting more money in circulation to meet additional needs.

Nothing would legally prevent the Bank of Canada from lending money to the provinces and the municipalities at low and preferred rates.

Chartered banks should agree to lending revolving funds to finance enterprises, which would enable them to use their own savings for investments.

If the maximum interest rates now set at 6 per cent were abolished and set up at a more reasonable level this would enable the banks to meet the competition they now face and would reduce the need for many Canadians to borrow from finance and personal loan companies often at excessive and prohibitive rates in some cases.

On the other hand, the government should accept at last to reduce taxes. It would be an encouragement to the taxpayers and the companies.

I would now like to draw the attention of hon. members to an article published in the last issue of *The Monetary Times* in which the assistant dean of the political science faculty at the Ottawa University invites the government to reduce taxes.

The government should promote personal savings, and in order to encourage Canadians to invest their savings, it would help if an amnesty were granted in the case of legal proceedings taken for money hidden in woollen socks, safety deposit boxes and other secret places.

The restrictions announced by the White House show that it would be advisable to set up an investment agency in Canada. The leader of the New Democratic Party (Mr. Douglas) has made such a suggestion in the past. I think it deserves serious consideration and should not be brushed aside.

In my opinion, the federal government should take into consideration the suggestions of Hon. Eric Kierans to the effect that a full explanation should be demanded concerning the changes made in the distribution of dividends, the investment policy and the purchase system.

The federal government should redefine, in the light of the American decision, the status of private companies, so that the Canadian people may be informed about the whole financial and administrative setup of the companies established on their territory.

There is one sure thing, Mr. Chairman. Because of the problem raised by the American decision, Canada is faced with a positive challenge. Should we blissfully await the nefarious consequences of this event or should we, on the contrary, make the most of it to secure our economy, our financial system and our trade on a more solid and more flexible basis?

So I ask the Minister of Trade and Commerce to get together with the Minister of Finance and his other colleagues to study my comments and inform at the earliest possible moment, all Canadians who await his intents, his initiatives and those of the government.

[*English*]

Mr. Otto: Mr. Chairman, I know the minister will listen to a few words from a backbencher or at least a sidebencher in connection with the problem of export trade. I do

not want to take up time to belabour the point that has been made time and time again that Canada has to export more manufactured products. I believe the hon. member for Burnaby-Coquitlam once said that we no longer want to be hewers of wood and drawers of water. This is true; we want to export manufactured goods. So does every other country in the world, but with this difference today, Mr. Chairman, that at one time it was very difficult for a new country or for a poor country to acquire the capital with which to purchase equipment, machinery and so on. These capital goods are now readily available from Germany, France, and especially Germany on the never, never plan. We are therefore in very serious competition.

We have two ways of trying to promote an increase of export trade in manufactured goods. One of the ways was the way the present member for Northumberland, a former Minister of Trade and Commerce, expounded. This was by the hoopla method, the great trade fairs, gladhanding and going around the country stumping the idea that businessmen are lazy, that they need to get up and get going and sell. This is a rather archaic method today. Canadian businessmen are not lazy, they are hard working, and they are quite aware of their potential.

However, there are other problems which are difficult for Canadians to overcome. I have been in this business, probably longer than other members, and I have tried exporting. First, we are competing with nations which are well established in the export trade. They have had their export machinery established for 40 or 50 years. They know with whom they are dealing, where they are going to deal and the prices of the types of products. We do not. The establishment of a trade or export department is a very expensive business. Second, the financial set-up in these countries for export trade is much better than ours.

With all respect to GATT, there are countries today which will allow their exporters to sell their products without careful scrutiny, and on which financial institutions paid one hundred cents on the dollar for receivables. In other words, the governments of these countries are absorbing the total risk. We are not. Most important of all, many countries today are using very sophisticated methods of market research, the results of which become available to the exporter and manufacturer. We do not do this. The reason I am making these remarks now is that the minister, being a new minister and a reform minister, will want to hear what I say and ascertain whether or not it can be introduced by our government.

Let us consider my own case. When I was in business, I naturally went to the Department of Trade and Commerce to find out what the picture was in one of the South American countries. We had the normal statistics given to us, the currency exchange, tariffs, etc. Then of course the balance of the information was to be forthcoming from the trade commissioner when we got to that country. However, we found the trade commissioner, although working hard, did not really know what we were after, did not really know what was available in that country. He was more interested in transferring into the Department of External Affairs. This is another curious thing. When we are depending upon exports, the head of state in just about every country comes from the Department of External Affairs and not from the Department of Trade and Commerce. We have had occasions where a grade eight civil servant has been under the jurisdiction of a grade five civil servant who happens to be from the Department of External Affairs. In other words, there is not enough incentive to stay with the Department of Trade and Commerce. This is something for the minister to consider.

Let me give you an example of a very progressive country which has accepted the more sophisticated methods of market research and applies them to their export trade. I refer to Japan. Some hon. members will have heard of an establishment called JETRO, or Japanese Export Trade Research Organization.

Mr. Prittie: Will the hon. member permit an interjection? I think the minister might misunderstand his remarks. He said "head of state", when he meant head of mission. The hon. member is referring in that connection to the head of our mission in each country.

Mr. Otto: Whether it is the head of state or head of a mission, the point is that the chief man in that country is usually from the External Affairs Department and not from the Trade and Commerce Department.

• (8:50 p.m.)

In order to continue my illustration, I may say that the Japanese government pays for and obtains careful research for certain products. They find out what Canadians want.

They find out through private research organizations in Canada the types of goods that Canadians like; the colour; the weight. They find out the prices we are willing to pay. They go farther than that and they find out who buys the goods, to what clubs they belong and so on. One would be amazed at the detail in these reports. The result is that when a Japanese salesman or representative comes to Canada he knows exactly where to go to sell his goods. An example of this type of research is seen in the fact that Japan now controls 68 per cent of the stainless steelware market in Canada, when she started with only 18 per cent a few years ago. This is sophisticated marketing. If the Canadian manufacturer had this information he would be in a much better position. I would urge the minister therefore to introduce this idea, even if we have to get outside help to advise our trade department, so that we shall develop within our Department of Trade and Commerce an up to date market research branch.

I should also like the minister to consider that there are some fields in which we have an edge. We may not necessarily have to sell goods. Let me illustrate what I mean, for example. We have just about the world's supply of uranium. There are many countries in the world, and South America is a good example, where electric power is not available and will not be available for many years. We have the money, we have the uranium: Can the minister not imagine what we could do if we manufactured right here atomic electric units to provide electricity and then installed them in countries needing power? We do not have to sell this equipment. Even if it cost $10 million we could lease it to countries needing it, and charge so much per kilowatt. Eventually we should establish for ourselves a ready market, and help have-not nations, without a great expenditure of money. There is nothing wrong with the leasing business. I.B.M. made a fortune from the leasing of equipment.

We have the money. we have the men; we have the know-how. We need a new approach, and not necessarily that staid, solid approach which has been used for years and years in our trade relations. I trust that the minister will prove to be what I hope; I trust that he will guide his department into a completely new avenue of endeavour.

Mr. Churchill: He has a parliamentary secretary.

Mr. Herridge: Mr. Chairman, I only wish to detain the house for a few minutes. First of all I want to congratulate the minister on his appointment. I may say that if we had to have a Liberal appointed to that post, from that constituency, I am very pleased to see that he was the one to arrive here.

Mr. Chairman, I must admit before I proceed that I shall be speaking here under what I consider undue influence. I was talking to my wife before, and she said to me, "Mind you be careful about what you say, I am very fond of Mr. Winters." As you see, Mr. Chairman, I am rather restricted.

I do want to express my support for the policy announced by the members of this party in connection with this department. I support all efforts to promote greater manufacture from raw materials in Canada, to promote the development of secondary industry, particularly in smaller towns and communities under Canadian ownership. I support this program, which I believe can only be brought about as a result of co-operation between the minister, departmental officials, municipalities, trade unions, farm organizations and other community organizations. I am a great believer in getting the participation of as large a number of people as possible in the advancement of any program. I do suggest to the minister that it would be well worth his time and the time of his officials to promote this participation among the various groups I have mentioned. I also suggest that the minister should as much as possible visit not only the larger centres of Canada, but those centres that are not usually visited by members of the ministry or by his senior officials. People must understand programs that are being developed if they are to participate in those programs satisfactorily.

In conclusion, Mr. Chairman, I extend a hearty invitation to the minister to visit the Kootenays at the first opportunity he has, because I know he will be well received and well listened to there.

Mr. Howard: Before the item passes, would the minister tell the committee what is the total amount of money it is expected the Canadian government will contribute toward Expo '67. The minister indicated that there was an estimated budgetary deficit of some $61 million. What I am talking of is the total amount of money that, in addition to the $61 million expected deficit, will be put into Expo '67.

Mr. Winters: I am sorry I cannot answer that fully, Mr. Chairman, because a great many departments including the Department of Public Works, the Department of Transport, and others, are building structures, works and facilities related to Expo. I can simply answer for Expo as such, and tell the hon. member that under the statute there was a grant of $20 million in the first instance. Over and above that there is provision in the statute for borrowing by Expo. That is how Expo is being financed.

Of the estimated deficit to which reference has been made, the federal government has the responsibility for half. I have not the figures before me of amounts spent by the other departments of government.

Mr. Howard: On page 398 of *Hansard* the minister said:

> The master plan last approved and announced in August, 1965, estimated a cost of $61.6 million.

I think what misled me at the outset was that the minister used the word "estimated" in relation to cost. I assumed that the same thing applied to the budgetary deficit which he now refers to. On page 389 the minister said:

> Under the tripartite agreement between the three participaitng partners, the federal government provides an underwriting of 50 per cent of the net cost, 37½ per cent going to Quebec and 12½ per cent to Montreal.

The important part is the 37½ per cent to Quebec and the 12½ per cent to Montreal. I was misled in my reading of that, but I see now that Quebec is responsible for 37½ per cent and the city of Montreal for 12 per cent, the government being responsible for the other 50 per cent.

Mr. Winters: That is right.

Mr. Howard: Will the minister glean from all the other departments their contributions to Expo, and will he undertake to correlate all this information, set it down in a letter and send it to me or make it public some time in the future, so that in one way or another we may be able to find out what amounts of money will be expended by the government of Canada on Expo '67.

Mr. Winters: I shall be glad to do that, Mr. Chairman. As a matter of fact on orders of the day under question No. 5 there is a question which seeks information very similar to that being asked under the name of the hon. member for Cumberland. It reads:

> What is the total amount of expenditure of the federal government made as of this date, or undertaken, or planned directly or indirectly, in connection with Expo '67?

[Mr. Howard.]

The Department of Trade and Commerce has submitted its material, and I presume that in a few days the question will be answered by the Secretary of State.

Mr. Howard: Could we ask the Secretary of State to make available this information, and to show what has been done in compiling it.

• (9:00 p.m.)

Mr. Churchill: I do not intend to delay these proceedings for more than two or three minutes. The hon. gentleman knows that the committee is always easy on a new minister. And he is new to this parliament, although he is still steeped in Liberal lore and tactics from days gone by when we were here together. But we will defer any remarks critical of the minister until his estimates come up the next time around.

We shall not remind him on this occasion of any speeches he has made, since he has been divorced from political matters for about eight years, though we may call to his attention some day a speech he made in 1962. We feel kindly disposed toward him because he is interested in the removal of the 11 per cent sales tax, and his phrase "at the earliest possible moment" means something, I think, to a man of his capacity who is accustomed to getting things done, not just talk about them. So we are resting our hopes on this minister.

I should like to commiserate with him on the situation with regard to his department, the Department of Trade and Commerce, which at one time was one of the largest and most important departments of government. But in his unfortunate absence this department has been emasculated and another department has been set up called the Department of Industry. The Department of Trade and Commerce has suffered accordingly. Now that the hon. gentleman is back in the house, with all his experience, I think the government might seriously consider transferring the Department of Industry back to where it belongs in the Department of Trade and Commerce, and restoring the Department of Trade and Commerce to the position it occupied only a few years ago.

I wish to ask the minister a question or two now with regard to the Export and Import Permits Act. If he is not in a position to answer them tonight he may do so later on. In any case this act comes up for review in June, when it lapses unless renewed.

My question relates to export and import permits as far as Southern Rhodesia is concerned. The Secretary of State for External

Affairs relied on this act in order to impose those sanctions. May I ask the minister this: Under section 4 of that act has the governor in council published an order in council adding Southern Rhodesia to the area list, as should be done under this section of the act? Then I am wondering whether under section 3 of the act an order in council has been published establishing the list of goods which come under the export control list, over and above the ones which were on the list before it was decided to impose sanctions against Southern Rhodesia. Similarly, what is the situation with regard to imports from Southern Rhodesia? Have these steps been taken in order to support the position of the Secretary of State for External Affairs in the application of sanctions?

Mr. Winters: I should like to be precise in my answer. Much of this action was taken before I became minister. I should like to take the question as notice and answer it later, if I may.

Mr. Churchill: That will be fine. The minister may find that some of his colleagues, without his sensible advice to assist them, may either have failed to take the steps they should have taken, or have taken the wrong ones.

Mr. McCutcheon: In the same vein, may I say I was interested in the announcement the minister made today. We know there are three main headings under which this could become operative. He could say that we were likely to become short of copper—he could give that as a reason. Is there a world shortage of copper?

Mr. Winters: Yes, there is a world shortage of copper, and it has taken on quite serious proportions. Several hon. members who have spoken this evening have quite properly referred to the advantage of processing our own copper in Canada. We have reached the stage where some processors have been unable to get the supplies they require. We therefore took the further step of restricting exports of scrap. As a result we find that scrap is now getting back to the domestic processors.

Some of the concentrate—the ore is a very small part of the picture—is able to find its way towards the London metal exchange. We want to be sure, without interfering at this stage with the normal flow of commerce, that we do have authority under the Export and Import Permits Act to review these contracts when they come up for renewal. We have extended the date until March 21 so that anybody who has a contract can have it appraised in the meantime. There is not much point plugging one gap if you fail to notice the others. Most of the concentrate produced in Canada does go to Canadian smelters, but some of it is shipped abroad, and some will continue to be shipped outside Canada for economic reasons—the inaccessibility of a smelter, for instance. But we think that in present circumstances this should be under control and review.

Mr. Hales: One further question on the copper situation. I compliment the minister on having placed scrap copper under export control. As I understand, about 7 per cent of our supply of copper comes from scrap. But why does the minister allow scrap copper to be exported to the United States where it can be made into finished products and then sold on the Canadian market in competition with Canadian producers? To my way of thinking control over exports of scrap copper should include scrap copper sent to the United States. I should like to hear the minister's reasoning.

Mr. Winters: Well, it has been traditional to have an open border policy with respect to scrap movements to the United States, and United States scrap coming here. If we found there was a significant volume moving we would have to do something about it; but there are no indications that there is very much, if any, copper scrap finding its way from Canada to the United States. Nevertheless we have this under consideration.

[*Translation*]

Mr. Vincent: Mr. Chairman, I should like to take a few minutes to ask the hon. minister whether, during the year just ended, some companies asked his department for a licence to import butter into Canada?

Now, if the minister cannot answer me tonight, I should also like to know whether or not licences have been given to companies to import butter, and if so, what are the names of these companies? If butter was imported during the year which has just ended, how much was imported, from what country, to what region and for what purpose?

Would the hon. minister be able to tell me tonight whether Canada has imported butter or whether he expects such imports in the near future.

[*English*]

• (9:10 p.m.)

Mr. Winters: I do not know of any butter that has actually been imported into Canada. There has been an application to import some into Canada on a re-export basis and on the grounds that there would be no net import of butter. There was an application to bring some in, process it into butter oil and re-export it, but I do not know what the status of that transaction is.

[*Translation*]

Mr. Vincent: Mr. Chairman, can the minister tell us which is the company or corporation that asked to import this butter for re-exportation?

[*English*]

Mr. Winters: I wonder if I might get that information and provide it to the hon. member.

Mr. Howard: Mr. Chairman, earlier today the minister made an announcement with respect to copper and exports of copper. In B.C. in recent years we have had extensive development in the mining industry, in the development of mineral claims and properties, development which hinged upon the interests of Japan, or upon mining and smelting interests in Japan. Coming into production in my constituency shortly will be Granisle Copper, a subsidiary of Granby Consolidated, but I understand all the concentrates from the mill will be exported to Japan, smelted there, presumably processed into a finished or semi-finished product which we will buy back again at a higher price than we received for the ore or concentrates themselves. As I understand the minister's statement today, it preserves that situation because presumably this is a contract which is currently in existence.

We also have iron ore prospects and mines in B.C., one of which is in the Queen Charlotte Islands, again a Granby Consolidated project, which is under contract to ship the iron ore to Japan. Japanese freighters call in at regular intervals at Jedway to carry the ore to Japan for smelting purposes. In recent years a large amount of our mining development in B.C. has rested upon the interests of a foreign country, namely Japan.

This was recognized not long ago by the Premier of B.C. when he visited Japan and made the comment that possibly B.C. has a greater attachment to Japan than it has to the eastern part of Canada. I am sure he meant by that, that B.C. in years past has suffered at the hands of selfish interests in eastern Canada, in Toronto in particular, selfish mining interests, who have always wanted to preserve their own position within the economy, wanted to exert their power and authority wherever possible and, as a result, whenever they have been successful, we in the western part of Canada have suffered.

Even though we desire smelters to be built in B.C., even though a smelter would advance us economically and put us in a position of being able to export materials at a higher price than we export our ore and concentrates, and even though moves have been afoot on a number of occasions in the past, dating back to the period just prior to the second world war, we have found those legitimate needs and desires frustrated at every turn because of the interests with which the minister is so intimately associated, the interests in Toronto who want to preserve their own position. Though the minister is shaking his head at what I say, this is the fact of the matter.

If the minister wants to go back to the period at the end of the second world war and make inquiries about the attitude within the department of finance in the province of B.C., when we were on the verge of establishing, or having established an iron smelting industry in B.C., he will find that project was killed before birth because of the interests in eastern Canada who wanted to preserve their position and did not want any upstart western province becoming an industrial section of the nation because they felt it would interfere with their monopoly position in this field.

The minister does not have to take my word for this. He can get this information by searching diligently in the files of his own department and the files of the Department of Finance, and seeing the correspondence which took place at that time with the province of B.C.

We are still in this position. We still have to export nearly all of our ore and ore concentrates to other countries, which puts us in a relatively bad position when we need to use structural steel, copper tubing, copper plate or copperware, or anything else of that sort, which is made from the minerals that exist in B.C.

When the minister made his statement today about the changes that are to take place with respect to the export of copper ores and

concentrates he opened the door wide enough for us to be able to express concern tonight about the question of developing or promoting the development of smelting industries close to the sources of raw matrials.

It is a simple and historical fact that in the period prior to the start of the Second World War, prior to the bombing of Pearl Harbour, we in B.C. were shipping scrap-iron to Japan, at a time when people who were unemployed were standing around trying to buck the spare board on logshore work, in order to load some of that iron, which we ourselves could have made good use of had we the smelting facilities to do so and develop it into finished products.

We have not progressed a solitary inch from that position. There is still only one smelter in B.C., at Trail, one that has been there for some years. We still have not advanced anywhere in the direction of developing a smelting industry in B.C., yet the minister has it within his power or authority, in concert with the Minister of Industry, to take concrete steps to do something about that.

Earlier I asked the minister if he would outline to the committee in detail his plans and his ideas, and his government plans and policies to deal with the problems which he posed on January 28 in the Throne Speech debate. He did not say a single solitary word tonight about what his government intends to do to promote a greater degree of Canadian control of industry. He did not say a single solitary word about what he plans to do with respect to developing manufacturing and secondary industry. He did not make a single solitary comment, or even express a hope about what he or the government has in mind so far as planning, or about dealing with balance of payments questions. Yet these are extremely serious matters.

• (9:20 p.m.)

Our whole economic welfare is tied up in the answers the minister should be providing now. He may have been in that department as minister only for two months, but in the face of his experience in earlier years in the cabinet, and in the face of his past eight years experience in the business community in which I understand he was a really powerful figure, and one with a great deal of knowledge, greater than most other people in business, in the face of his experience in the business community and in the cabinet prior to that time, he cannot now rest his failure to say anything on the basis of ignorance of matters in his department. Certainly it is not intimate knowledge of his department which is necessary; but what is required is some policy decision. Is he not speaking to the Minister of Finance; cannot the Minister of Finance tell him what the government was planning to do while the Minister of Finance held the position of Minister of Trade and Commerce; does he not know what the cabinet or the government has been doing in respect of some of these important things?

It simply is not good enough for the minister to start off his estimates this evening by saying he has no comment to make but that he would be glad to answer questions. It is not good enough, when particular questions are posed to him asking about policy matters and the plans to cope with the matters which the minister himself outlined; it simply is not good enough for Canada, for the minister to take this sort of casual disinterest in the problem.

The minister remembers well his words of January 28 and I need not repeat them. He has made speeches all across the country. He has stated that he is not on the mailing list, but I am sure he knows about the problems confronting Canada and about the things which should be dealt with. I am sure he can recall some of these. Would he mind telling the committee about the specific detail or about the general plans the government has to deal with the problems which were outlined on January 28 in his Throne Speech?

Mr. Grills: Mr. Chairman, I would like to ask the minister one or two questions. We hear a great deal about free trade with our good neighbours to the south. I happen to come from the hub of the cheese industry of Ontario, the home of Black Diamond and other famous brands of cheese. Would the minister tell us whether there is any quota on United States imports of cheese into Canada comparable to our exports to the United States? As we all know, the United States of America has a population of somewhere in the neighbourhood of 200 million people and we have approximately 20 million, about ten to one. As I understand it, our quota on cheese imported into the United States of America is 600,000 pounds, a little over half a million pounds. I wonder whether the minister could tell us what the other quota is and how it compares? I say this because I think our good Canadian cheddar cheese holds the key to the balance in our dairy industry, and the surpluses of the dairy industry can be best turned into cheese.

In respect of the importation of butter, as previously referred to by my colleague from Quebec, is there any relationship between the stabilization board, of the Department of Agriculture, and the Department of Trade and Commerce which I understand would grant these import permits; is there any relationship between the two so that the one knows what the other is doing.

Mr. Winters: Yes, Mr. Chairman, there is very close collaboration between the two departments; each knows what the other is doing. On the matter of cheese, the quota in the United States is a matter of considerable concern to us. It is something I would like to discuss in the meeting in Washington. I can assure the hon. member this matter is receiving very serious consideration.

Mr. Grills: Could you tell me what their quota is into Canada?

Mr. Winters: I do not have the information at the moment, but I might be able to obtain it for you this evening.

Mr. Keays: Mr. Chairman, I know the minister is very interested in promoting trade within Canada, and I would like him to have a look at a situation whereby copper concentrates from the east coast are going to Japan to be smelted. We are sure the Japanese have a cheap form of transportation, lower salaries and so on, and can overbid our Canadian companies for some of these concentrates. When we realize that the concentrates are going thousands and thousands of miles away and there is a smelter within 100 miles or so from the source of supply, it is rather difficult to understand why the Japanese can overbid some of our Canadians.

One reason may be the charges made by some of the departments of government. The excessive charges made by the Department of Transport may be one of the reasons the Japanese can overbid the Canadians for these products. It is very difficult to understand, especially when there is a smelter which at this moment possibly is operating only at about 80 per cent of its full capacity in respect of these products which should be processed and manufactured in Canada, why the concentrates cannot be obtained in the area in which there is a smelter.

I would like to impress upon the minister that when he has an opportunity he should urge upon some of the other departments of government that it sometimes is better to alleviate the charges which are being made against some of these services and thus allow our Canadian companies to compete for some of these Canadian products.

Mr. Howard: Mr. Chairman, I still would like to get some answer from the minister in respect of what plan he has to deal with the important problems confronting Canada's trade and economic growth which the minister himself outlined in his Throne Speech of January 28.

Mr. Winters: Perhaps the hon. member was out when I spoke on the subject of trade promotion and mentioned the great importance the department, the government, and I particularly attach to the very important problem of increasing our trade. One development we attach a great deal importance is the Kennedy round of negotiations. Canada is in the forefront of the countries which are urging a successful conclusion to these negotiations. By the further reduction of tariffs and other impediments to our trade, we think Canadian industry can benefit substantially and that the flow of world trade can be greatly stimulated. This however is a very difficult exercise.

Recently I had the privilege of spending a day with our team at Geneva and was able to get a firsthand understanding, in so far as I was able to do so in that short time, of some of the severe problems involved; but I did tell our people there that Canada attaches a great deal of importance to these negotiations and that we want them pursued with all vigour. I had the opportunity of expressing my views in Paris to my opposite numbers in the French government.

• (9:30 p.m.)

I gained some understanding of the very severe problems that are confronting them in this area. I am hopeful that all the nations concerned will very soon come to the conference table at Geneva and negotiate in a very purposeful way toward the successful conclusion of what I regard as one of the most hopeful avenues for the development of Canadian and world trade. In other areas we do what we can on a bilateral basis to stimulate trade. As the hon. member knows, we have increased the number of trade missions we are sponsoring abroad; we are increasing the number of trade fairs; we are trying to stimulate Canadian businessmen into greater awareness of the export markets that the world provides at the present time. Generally we are making every effort to promote the volume of our exports abroad. I was told this morning, for example, that the

total volume of trade sponsored under the Export Credits Insurance Corporation has reached the figure of $1.9 billion, which in itself is an indication of the importance that successive governments have attached to the various instrumentalities for stimulating trade by Canada.

The hon. member referred to the position of British Columbia in regard to smelting, and attributed the lack of a smelter to eastern interests. I shook my head because I am one of those who do not believe that the eastern financial interests have held up the development of British Columbia. As a matter of fact, I had the privilege of discussing this problem not long ago with some interested people and I think the hon. member can take it that when there is sufficient copper concentrate available in British Columbia serious consideration will be given to a new smelter. I know hon. members are aware that it takes a great deal of concentrate, indeed, to justify the construction of a smelter on an economic basis.

Mr. Nesbitt: Mr. Chairman, I move, seconded by the hon. member for Winnipeg South Centre:

That all the estimates of the Department of Trade and Commerce, including all the supplementaries, be approved and do now pass.

Some hon. Members: Hear, hear.

The Deputy Chairman: Order. I regret that the Chair cannot accept this motion because what is now before the house is item 1 of the estimates of the Department of Trade and Commerce. I believe we should continue our consideration of that item. I do not believe the motion is relevant to item No. 1.

Mr. Howard: Mr. Chairman, I appreciate the concern of the hon. member for Oxford about proceeding as quickly as we can but I think—

An hon. Member: Sit down then.

Mr. Howard: I just heard someone say, sit down. If that is the only interest the hon. members in the Conservative party have in the question of our economic well-being—

An hon. Member: Please do not talk nonsense.

Mr. Howard: —then it is extremely revealing as to the degree of hypocrisy that exists within that party.

Mr. Fairweather: You are a prime example of hyprocrisy.

Mr. Nesbitt: Do you not want the bills paid?

Mr. Howard: The mouthy member for Oxford asks, do I not want the bills paid. Of course I want the bills paid; don't be so asinine. We want to deal as expeditiously as possible with these estimates, but we also want some answers as to what is likely to happen. We just cannot blandly go along and say we have no interest in what is likely to happen to the economic welfare of the nation.

I gather the crux of the minister's answer was that a great deal rests upon the success or otherwise of the so-called Kennedy round of tariff discussions or negotiations. I believe it is correct that if we can participate with other nations in effecting lower tariff barriers we can open up markets for commodities that these tariff barriers were associated with before. However, it seems to me that tariffs were instituted primarily to protect home industries and that their secondary effect was the provision of income to the government which imposed them. However, the tariffs were originally put into effect to preserve the economic positions of the industries associated with the tariff barriers, the feeling being that if the tariff was low enough the industry concerned would be driven out of business by the importation of lower priced articles.

Tariffs are imposed in respect of manufactured products rather than raw materials. If the government feels it has the degree of faith indicated by the minister in the forthcoming tariff negotiations, it should be doing something to bring about an agreement to lower tariffs, and should operate in concert and conjunction with the Department of Industry, and the entire cabinet, to promote as fast as possible the development of secondary manufacturing industries in Canada. If this is not done we will find ourselves very likely participating with other member countries of GATT in lowering tariff barriers, thereby opening up markets in other countries for those countries which are now highly industrialized. We will not be opening up markets for ourselves, because we will not be operating in the direction of developing secondary manufacturing industries here in Canada.

It seems to me that if the Minister rests his case and the solution to the problem on his statement of January 28 regarding the potential success of the tariff negotiations; and is hopeful that something worth while will come from those negotiations, he should be pressing just as hard as possible in the direction of building up secondary manufacturing industries in Canada, so that we will be in a

better position to promote the export of those manufactured goods to those countries we hope will open their doors to us. To have faith in the one and not take some concrete steps to work toward the other seems to be nonsensical. Perhaps the minister will deal with this aspect of the situation. However, as he said earlier, perhaps he would like to leave this to the Department of Industry in so far as the responsibility for promoting the development of secondary industry is a concern of that department. On the other hand, the two seem to go hand in hand. This is one of the strange fields of government activity in respect of which one department cannot be divorced entirely from another. Each has to know what the other is doing because the decisions of one could very easily offset the efforts of the other.

Mr. Winters: Mr. Chairman, I agree generally with the hon. member's premise, and the Minister of Industry has just said that I can assure the hon. member he has his full support.

The Deputy Chairman: Shall item 1 carry?

[*Translation*]

Mr. Latulippe: Mr. Chairman, I have only a few remarks to make to the minister concerning the sales of uranium.

What does the minister think will be done to promote the sale of Canadian uranium to other countries? What kind of agreement do we have with the United States to sell them uranium? Are there other countries to which the federal government intends to sell uranium? What conditions does the federal government require of various countries before selling them uranium? What agreement has the federal government reached with France to sell it uranium?

Those are the few questions I wanted to ask the minister. Some people ask us questions about uranium and since, personally, I do not know much about the matter, I would appreciate it if the minister would give me that information.

• (9:40 p.m.)

[*English*]

Mr. Winters: Mr. Chairman, at the moment I do not believe any company in Canada is selling uranium to the United States. Sales at present are to the stockpile and for the balance of the United Kingdom contract. In selling uranium abroad the conditions are that the purchasing country must undertake to abide by the terms of bilateral agreements under which they must agree to use the uranium only for peaceful purposes and submit to inspection to ensure that this is so. There are no contracts with the French government and none are being negotiated at the present moment.

I believe the demand for uranium will increase. It has long been my view that as we go into the 1970's the demand around the world for uranium for peaceful purposes will increase considerably. The outlook for the uranium industry in Canada is a bright one.

[*Translation*]

Mr. Valade: Mr. Chairman, I shall take up only a few seconds of the committee's time, to ask the minister to give us a few explanations on the administration in his department.

We are here as members of Parliament as representatives of our fellow-citizens, and we must scrutinize the minister's expenditures and find out from him how he spends his estimates.

If the minister cannot reply tonight, he might do so on another occasion. I wish to refer to pages 436 to 441 of the estimates. I note an extraordinary increase in personnel, in new employees in certain divisions. For instance, on page 436, in the category of employees earning from $12,000 to $14,000, there has been an increase from 0 to 41 employees; on page 437, I also note, under item 5, an increase of 0 to 32 in the number of employees earning from $10,000 to $14,000 annually?

The minister should give a little more information on these items which represent a rather large amount in salaries. The amount may be warranted, but somehow the increase seems considerable compared to last year.

The minister may answer tonight or later, but I think the house is entitled to be informed about this.

On behalf of my colleagues, I take this opportunity to offer the minister our best wishes for the success of Expo '67. And I think I am expressing here the feelings of all the members of our party and all the members of the house.

In the light of the information provided by the minister to the effect that quite a large total deficit is expected, I wonder whether he would accept a suggestion which could perhaps make up for a probable deficit? We all hope that there will be no deficit, but should there be one, I would have a suggestion to make to the minister.

My proposal is based on a precedent which took place in France around 1870-75, at the

time of the first trade fair in France, which was financed by a specially-organized lottery to pay for the travel costs of persons who had to travel quite a long way to get to the fair.

I wonder if the minister could not suggest to his colleagues that the government advocate and pass special legislation to allow, during the world fair in Montreal, the holding of a lottery which would help make up for the deficit, so that the burden would not rest only on overtaxed Canadians. Thus, even visitors could, through their spending, contribute to a very large extent to reduce the Expo deficit. We all hope that there will be no deficit, but I wonder if the minister could not take this suggestion, as well as the questions I put to him previously, in consideration.

[*English*]

The Deputy Chairman: Shall vote 1 carry?

Mr. Valade: Mr. Chairman, I just want to ask the minister whether he will provide that information.

Mr. Winters: I would be very glad to provide that information at a later date, if that is agreeable to the hon. member. I could speak on this matter now but I understand the time is short.

Item agreed to.

15. Canadian Government Travel Bureau—to assist in promoting the tourist business in Canada including a grant of $37,000 to the Canadian Tourist Association, $6,290,600.

Mr. Howard: Mr. Chairman, perhaps I could just have one moment to leave a thought with the minister.

Mr. Fairweather: It will take you longer than a moment to leave a thought with anybody.

Mr. Howard: This is a plea in respect of a part of my own constituency. In northern B.C., in what is now loosely and I think improperly called a ghost town, is the community of Atlin. Atlin was a pretty important area in the gold rush days at the turn of the century. There are still there remnants of one of the communities that sprang up as a result of the discovery of gold. This community is just outside Atlin a mile or two away.

I would urge the minister to take some steps through the Canadian Government Travel Bureau to publicize the history of Atlin and the fact that it does exist. Driving along the Alaska highway this side of Whitehorse in the summertime there are hundreds upon hundreds of tourists, a great many of them being Americans, who are travelling through to Alaska, the Yukon and the north. All that exists in so far as an indication that Atlin is there is a weather-beaten sign. It is the usual sort of directional sign with an arrow indicating that Atlin is in that direction.

Mr. Nielsen: That is at Jake's Corners.

Mr. Howard: Yes. I think some work could be done by the Canadian Government Travel Bureau in promoting a visit not only to Atlin itself but to the area of British Columbia surrounding Atlin in order to view some of the history of the area and see some of the beauties that exist there. This is a matter that probably comes within the jurisdiction of the provincial government and I have been in contact with that government on numerous occasions in the past in order to try to get them to do something with Atlin in much the same way as was done with Barkerville in British Columbia. This could be done by depicting scenes from the old days and promoting this area as a tourist attraction. It would give recognition to that part of the country and would provide tourists with an opportunity to see a section of British Columbia that played such an important part during the gold rush days and also contributed somewhat to the difficulty we now have with respect to the location of the Alaska boundary. I do not expect any comment from the minister tonight, because of the time, but I merely wish to pose this question to him. Would he please look at it and see whether something could be done to build up some tourist attraction for this part of the province.

• (9:50 p.m.)

Mr. Winters: I found it a most intriguing place. They were still carrying on some gold operations when I was there a few years ago. I will bear this in mind.

Item agreed to.

1967 World Exhibition—

29. Canadian government participation in the 1967 world exhibition, Montreal, $9,540,500.

Mr. Irvine: A few moments ago the hon. member for Winnipeg South Centre made mention of the fact that we had a new minister. Perhaps after tonight he will consider himself to be a used one. I think after the remarks made by the hon. member for Sainte-Marie with regard to Expo '67, it would be only proper for one of his brother Canadians, who does not have the ability to

use the other official language of Canada, to say something on behalf of people in other parts of the country.

I know that I express the sentiments of this entire committee when I say we are very proud of this Expo '67. I should like to say too, on behalf of our party, that we are very proud that we laid the foundation for this exhibition. We are pleased to think that we picked out the site for it. We feel it was a proper site, in the largest city of this great country in which we are privileged to live. I hope too that every member in all parts of this house, every citizen of this great country of ours, will do everything he can to make sure that this is the finest exhibition that has ever been held in Canada.

Item agreed to.

The Deputy Chairman: This concludes consideration of the estimates of the Department of Trade and Commerce. The committee will now proceed to a consideration of the estimates of the Department of Defence Production.

DEPARTMENT OF DEFENCE PRODUCTION

Mr. Drury: Mr. Chairman, there are three departments or agencies concerned here, the Department of Defence Production, the Department of Industry and the National Research Council. I suggest that perhaps as we did last year it would be more convenient if we were to deal with each of these separately, since they are to some degree separate and distinct subjects. In order to save the time of the committee, I will not make a statement on any of these departments, but I would be most interested indeed in providing information or answers to questions in so far as I am able.

The Deputy Chairman: Is it agreed that the committee shall proceed to the consideration of the Department of Defence Production?

Some hon. Members: Agreed.

1. Departmental administration, including the care, maintenance and custody of standby defence plants, buildings, machine tools and production tooling and grants to municipalities in lieu of taxes on Crown-owned defence plants operated by private contractors, $16,922,800.

Mr. Howard: I did not realize we were going into this department. I thought we were going into the industry section. There is one matter about which I should like to inquire which relates to the Department of Defence Production. I understand that some time ago, a year or two ago, the purchasing of materials for the Indian affairs branch was taken over by the Department of Defence Production. In talking with Indian affairs branch personnel in the field, in talking with local suppliers of goods and materials that are required by the Indian affairs branch, I have learned, to put it mildly, that they think this system leaves a great deal to be desired. They feel it allows for a great deal of inefficiency and increases the length of time it takes to make deliveries of orders compared with what it used to be under the Indian affairs branch.

In many instances local suppliers of materials are cut out of the picture because the Department of Defence Production has some relationship or liaison with the larger centres for distribution purposes. I do not want to document these instances, and I do not think they need documenting in any event. Some instances have been related to me of misunderstandings over orders which were given. In other instances the materials which are supplied are not the ones which were ordered. All of this leaves a great deal to be desired.

I seriously urge the minister, if he does not appreciate fully what is taking place here, to relinquish these activities by the Department of Defence Production for the purchase of materials for the Indian affairs branch and give those activities back to the proper minister who, in this instance, would be the Minister of Northern Affairs and National Resources. These activities should be returned to the Indian affairs branch which is intimately involved in the ordering of the materials and which will have the greatest amount of control in the placement of these orders. This will overcome a great deal of the difficulty.

I can assure the minister there is a fair amount of dissatisfaction within the Indian affairs branch in connection with this operation. If the Minister of Industry would just lean over and consult with the Minister of Northern Affairs and National Resources he would probably get confirmation of this dissatisfaction. I believe the minister should relinquish this activity because he has enough to do in this department without fiddling with the Indian affairs branch and causing a great deal of difficulty and inefficiency there.

Mr. Drury: I should like the hon. gentleman perhaps to try to accord us a little patience. It was not two years ago this activity was taken over. The functions are in the process of being taken over now. I can readily understand that there are, in the process of

changing to new techniques, new personnel, new channels, certain transient dissatisfactions with decisions. I hope that, as the Department of Defence Production, which is being converted into the department of supply, becomes more skilled and more accustomed to this, the very substantial economies which are being realized in the expenditure of government funds would be coupled with a much higher degree of satisfaction to the ordering department.

Mr. Howard: In reply to the minister, I may say that I understand this may be a transitional period. I can quite understand the savings which could result from bulk purchases and the concentration of activity in one field if this is to be the purchasing department for all government services. I understand also the waste and inefficiency that can come from centralization. This is what I want to get at. In one sense, I really do not care who does the buying as long as it is done efficiently, and so long as you take into your confidence, perhaps even appoint as some of your agents, Indian affairs officers who work in the field, those who are in daily contact with the native people and know their requirements for housing, sewers, electrical facilities and many of the other things that are required. If you communicate with the local officials of the Indian affairs branch you will get along a lot better than you are by attempting to centralize these purchases within one department with its headquarters in Ottawa.

• (10:00 p.m.)

Mr. Grafftey: Mr. Chairman, because the Minister and the government has decided to take positive action in the standards branch of the department relating to the problems of highway deaths and injuries, I wish to make a few remarks relating to the general subject. May I again congratulate the minister and the government upon the positive action which has been taken. As the minister announced in the house a few days ago in answer to written questions that I put on the order paper, the government intends to draft in the standards section of the Department of Defence Production a relatively definitive code pertaining to the purchase of government automobiles and to the safety features that should be included in motor cars at the production stage. I think that the Canadian public will be glad to receive the good news the Department of Defence Production has announced, namely that it intends to draft three codes for the public relating to the driver, to the car, and to the highway. Those three factors are obviously involved in highway deaths and injuries.

I do not intend to go into the great detail that I covered in the debate on the Speech from the Throne, but may I clear up some misconceptions. Many spokesmen for the industry and for the automobile establishment, for highway safety leagues, have stated up to now that I have placed too much emphasis on the car and not enough on the driver and on the highway. I have said that we must educate people to become better drivers; that we must encourage drivers to be more safe; that we must encourage provincial governments to build safer highways, and that we must encourage provincial governments to make sure that motorcars are operational at all times.

As a federal legislator there are some things which I may suggest. As federal legislators we can do something about what most members recognize to be an epidemic of massive proportions which has to be cured by massive public interest and massive public funds. That is what I said in the house before.

Unless something is done immediately, unless something is done to check the numbers killed on our highways, unless something is done between now and 1970, over a million Canadians will be injured and between 35,000 and 40,000 killed on our highways. What can we as federal legislators do about this. We can make certain that when the Canadian public buys an automobile that automobile is the safest that can be produced.

I have been criticized by some persons who say that I place the emphasis in the wrong place. I admit that apart from mechanical failure it should be recognized that judgment errors on the part of individuals are invariably responsible for an accident. However, as I keep saying to the leaders of the industry that after I have driven 80,000 miles, and just because I make a judgment error at a speed under 45 miles an hour, and just because the industry has not produced a safe automobile, is no reason for me to die.

As federal legislators, Mr. Chairman, if we support the initiative taken by the Department of Defence Production in the announcement of its code, if we support this worthy cause, it is my firm belief—and I draw the attention of the house to this at this time, —that we shall cut down the toll of deaths and injuries by 50 per cent.

I pointed out in the debate in the Speech from the Throne that 87 per cent of all

deaths and injury-producing accidents take place at speeds under 45 miles an hour. This, Mr. Chairman, is something that we, as federal legislators can do something about.

There are those who pretend that we have no authority over the policing of safe motor cars. I say that the federal government has authority. May I direct your attention, Mr. Chairman, and the attention of the house to the Food and Drug Act. May I refer to the case of Russell *v.* The Queen. May I refer to the fact that the federal government has jurisdiction to police the manufacturing of aeroplanes, of all rolling stock on our railways, of all ships, and safety features in them, at production levels.

I should like to thank most sincerely the officials of the Department of Transport who, with the concurrence of the minister, put this working paper in my hands. It clearly demonstrates how at the production level the federal government has this authority in relation to planes, rolling stock on railways and the construction of ships to make sure that safety features are included for the protection of the public. These modes of communication and travel fall under the rule of law. The automobile alone falls outside the rule of law, and in the light of the few statistics I have put before the committee tonight I think it is incumbent upon us in a bipartisan spirit to conquer this epidemic which has now reached major proportions.

Some people approached me a few days ago and said that those of us who are working in this direction must be pleased by the announcement the industry made last week in connection with brakes and steering columns. I do not want to be a killjoy and say that these innovations are insignificant per se, but I believe that until we have government specified codes by which to measure the value of these innovations we have no means of knowing how significant they are.

Would we permit the food industry to say: "We are going to be good boys; we have taken a little poison out of our food"? We should want to know how much poison there was in it in the past and how much was left. Until we have these codified standards set by the authority which should make them, the public will not be protected.

The real reason for my intervention this evening is to congratulate the minister on the initiative he has taken in the Department of Defence Production. It is only a beginning. I can visualize the possibility, when the codes come out, that we shall need to do more than hold them out to the automotive industry and say: "Be good boys; this is what we think you should do." We shall have to say: "We know these are scientific and proven safety features, and they must be in the cars within a definite period of time—or else."

Even if we do this we shall only be scratching the surface. The industry doubts whether we have authority to act in this field. It does not want to be policed. But if we are to do our duty to the public it will have to be policed. In the second place, the industry says we are setting back safety in general when we talk about the car and do not talk about the driver and the highway. I have already cleared up this point. The provincial governments have a definite role to play in helping to produce better drivers and in building safer highways. This does not mean we should avoid our responsibility at the federal level.

• (10:10 p.m.)

The third argument that is being presented by the industry over the past few weeks is that they say if those who seek the building of a safer automobile want just that, they will build us an ugly tank that can go at 15 miles an hour. I would like to show members of the committee pictures of a prototype safety car that is being produced as a result of a feasibility study in New York. This is a safe car and a good looking car. How about the Pina Farina that is coming from Europe this year, which includes many safety features upon which no research is required, as they are already in existence?

It is patently obvious that you can build a good looking car and have safety features in it at the same time, and I think the minister's code and investigation will prove that. The industry says it cannot build us a good looking car and a safe car at the same time. I ask the industry, since when would proper roll-over bars detract from beauty? Since when would properly recessed padded dash panels detract from the beauty of a car? Since when would integrating the seats of a car to the frame, so that they would not fly off at speeds under 45 miles an hour and cause great injury, detract from the beauty of a car? Since when would putting something stronger than cardboard between the rear end of a car and the valise, so that tools would not come in and cause injury and death, detract from the beauty of a car?

I put the following suggestions before the minister. First of all, I ask the minister would he plead with the automobile industry to

forgo costly retooling costs for style changes in the next year, and devote that money to putting safety in their automobiles.

Second, I have already talked about the New York prototype safety study, and I would say the state of New York is more advanced than any governmental body in the western world in the completion of a real safety car. The state has spent $500,000 on a feasibility study. They need from $4 million to $6 million to complete the building of a prototype car. It is interesting that the feasibility study was done by the aircraft industry. It is the aircraft industry which has spent millions and billions of dollars on research, while almost less than nothing has been spent, on automobile safety research.

I put the following suggestion before the minister: First of all, I ask:

What happened at Ste. Thérèse two years ago? An aircraft crashed and the government spent millions of dollars putting that aircraft back, piece by piece, and spent months studying it. We tried to find out why that tragedy occurred in order that we could do something about it. But what happens when a car crashes? We lose over 100 people a week on the highways; but after an accident, within 10 to 20 minutes of the ambulance or morgue wagon leaving the scene, the car involved is brought to the dump and not one dollar is spent on research to discover the cause.

It is the aircraft industry that has researched safety in automobiles. Therefore I would like to recommend to the minister the possibility that Canada could reach across the border, break precedent in many regards, if you will, and participate in a financial way in the building of the New York prototype car.

Though we have not reached the National Research Council aspect of the minister's estimates, I do feel that it could have a part to play in offering know-how in the completion of this prototype car. This is one instance where Canada can take a real lead in getting something done. If Canada takes the lead with New York and California, and one other large state, the major part of this war can be won. Can we expect much from Washington? The automobile lobby in Washington is very large and, as the minister knows, the G.S.A. recommendations were watered down last year because of that lobby. Canada must play its part.

The last recommendation which I put before the minister is that I hope the government will encourage its members, and opposition members, to have the house committee on research and industry call before it responsible leaders of the industry and research safety experts, so that in a spirit of co-operation we can get something done. I regret very much the outcry from the industry against me last week. I will not reply in kind to the executive who spoke the way he did, because I think this is too important a subject to get into a shouting match about.

Let us not allocate blame. I blame legislators such as ourselves for the state of affairs that we are faced with today regarding the problem; I blame the public because they have been so apathetic in demanding safety, and I blame the automobile industry also for being delinquent in their social and economic responsibilities. But let us not allocate blame; the blame is collective. Let us get on with the job and produce results. The last misconception I would like to shoot down is with respect to the safety experts. I am not sure what a safety expert is, but I tell the people in the industry that you do not need to be an employee of the industry to be an expert. The industry builds automobiles for people who are not experts; the five thousand people who died on our highways in 1965 were not experts, they were amateurs. These people are driving automobiles and the automobiles should be designed in a safe way so that they are adapted to the human animal. We should stop putting emphasis on the human animal always being adapted to the automobile.

What I am talking about will do two things: If we live up to our responsibilities and make sure that all scientifically proven safety features are put in cars at the production level, we will not only reduce death-producing and injury-producing accidents by 50 per cent, but we will also avoid many accidents occurring in the first place. I refer especially to such things as driver fatigue, and the basic research being done by the aircraft industry, on pilot fatigue, easily could be transferred to the automobile industry.

Great research has been done by the aircraft industry in matters relating to proper vision and noise, research which could avoid accidents in the first place. I am not talking about only reducing injury and death once the accident takes place, but also about the possibility of reducing the occurrence of the accident in the first place. While I am sure all

members would agree that things such as high speed and drinking, pure bad driving and bad manners on the road, often are the cause of accidents, I do not think these things in themselves are an excuse for us to let the automobile as a mode of transportation go unpoliced.

I repeat that the problem is too great for us to just shunt off our responsibilities in this manner. President Johnson a couple of weeks ago when referring to the matter in Washington said that the whole problem of highway death and injury, came second only to the problem of Viet Nam, and suggested that surely this means we have a role to play in overcoming the problem.

I would like to congratulate the minister for his initial thrust and initiative in tackling the problem, and I would like to ask all the members of the house to pledge their support to him when we move into this area.

Mr. Drury: Mr. Chairman, I think all the members of the house will welcome the very evident sincerity and energy which the hon. member for Brome-Missisquoi has put into this problem, which is a very serious and significant one for our country. I share his concern and I thank him for the kind remarks he has made. I will be delighted to consider all his recommendations.

The Chairman: The hon. member for London.

• (10:20 p.m.)

Mr. Knowles: Mr. Chairman, on a point of order; could we have some understanding about what we are doing. I can still see the clock, whether or not anyone else can. It seems to me we should not just go on as though there was no clock, without arriving at some understanding. It seems to me that in view of the unnecessary time that was taken on one department this afternoon some consideration should be given as to what the program is now to be.

Mr. McIlraith: Mr. Chairman, I hope the hon. member will agree not to see the clock, in an effort to finish the estimates of the Department of Industry. I think everyone will agree that it is highly desirable that the ministers of the five departments mentioned today have their estimates completed in order that they may attend the joint United States-Canadian ministerial committee meeting on trade and economic affairs.

Mr. Churchill: Mr. Chairman, we are prepared to sit until midnight to get some of this work done. We did not take up the time on the other department today; that time was largely consumed by members of other parties. We are quite content to sit until midnight.

Mr. Knowles: Mr. Chairman, I trust that the statement made by the hon. member for Winnipeg South Centre is not an order of the house. Could we have some indication as to how many speakers there may be on the estimates of this department. It seems to me that in view of the unnecessary argument that was started this afternoon by the Minister of Finance in introducing his estimates, and the time that was taken on the consideration of those estimates, there should be some mutually agreed to arrangement. We are prepared to attempt to get the estimates of this department through if it is clearly understood that there are not too many speakers who wish to speak on them, but to sit until midnight and then go on at length tomorrow we think is too much.

Mr. Grégoire: There are no speakers from this party.

An hon. Member: Are you speaking for the government?

Mr. Fairweather: Where is the hon. member for York-Humbug, he may have something to say?

An hon. Member: We sent him on another trip.

Mr. Irvine: Mr. Chairman, what I have to say I am sure will be of grave national import.

Mr. Knowles: Mr. Chairman, I am trying to be co-operative in not shouting that it is ten o'clock, but I do not think I should be fobbed off without any understanding as to what we are going to do.

Mr. McIlraith: I believe there are very few speakers on the estimates of this department. There are none as far as this side of the house is concerned, and I believe there are none in the Creditiste Party. I cannot speak for the Social Credit party or the official opposition, but they have made it quite clear they are anxious to co-operate and get these estimates through.

Mr. Churchill: We are prepared to consider the estimates of the Department of Agriculture as well.

Mr. McIlraith: The government is certainly most anxious to get the estimates through. We are anxious and willing to co-operate in

every possible way with all hon. members in order to continue and complete our consideration of as many estimates as possible, for the reason I gave a few minutes ago and for the additional reason that within a very few days a very real difficulty will develop if we have not completed the estimates. We are now in the fifth week of the discussion of the estimates for the year just ending. I hope that we can see our way clear to continue to sit tonight and go as far as we possibly can to finish the estimates of this department, and possibly those of the Department of Agriculture.

Mr. Knowles: Mr. Chairman, may I ask that there be some spirit of compromise. We will go part way but we ask the rest of the house to meet us part way. We are suggesting that we sit until we have completed the estimates of this department now before us, and at that point call it ten o'clock.

The Deputy Chairman: Is that agreed?

Mr. Churchill: We are prepared to sit until midnight, Mr. Chairman.

Mr. Nielsen: Let us sit until midnight.

The Deputy Chairman: Is that agreed?

Mr. Howard: Mr. Chairman, we should agree on something, or somewhere along the line those Tories who are so helpful now will become obstinate and we will then find ourselves in difficulty.

Mr. McIlraith: Mr. Chairman, would it be satisfactory if we finish the estimates of this department, assuming we can finish them in a few minutes, then discuss matters further, because we are certainly very much concerned that we get the next two departments through tomorrow afternoon. Even that leaves us with quite a heavy program for Thursday and Friday.

Mr. Churchill: We are ready to work tonight.

Mr. McIlraith: Perhaps the hon. member for Winnipeg North Centre could raise the matter again if we are not making good progress at, say, eleven o'clock. Would that be agreeable?

Mr. Howard: Mr. Chairman, everybody knows from past experience that we would be much better off if we could clearly set out now what we intend to do. I suggest that it would be agreeable, without any difficulty, if we were to deal with the items for which the Minister of Industry is responsible and at that point call it ten o'clock, and then start tomorrow with the estimates of the Department of Agriculture.

Mr. Grégoire: We approve of that course, Mr. Chairman.

Mr. McIlraith: While it does seem to be the consensus of the committee that we go further tonight, if the hon. member feels strongly about it and in view of the fact that it is past ten o'clock—and we appreciate the fact that he did not see the clock—we could agree to finish the estimates of the Minister of Industry tonight. I would point out that it is hardly the consensus of the committee that we stop there; it is the wish of two hon. members.

Mr. Nielsen: Right.

Mr. Barnett: Mr. Chairman, there is one further thing I think we should have clear in respect of the suggestion made by the hon. member for Skeena. It is that we are not going to have, say six half-hour speeches from members of the official opposition.

Mr. McIlraith: I must, Mr. Chairman, out of fairness say that the official opposition have been very co-operative today.

Mr. Churchill: There are 97 of us, too.

• (10:30 p.m.)

Mr. McIlraith: Perhaps in view of the strong feelings of the hon. member for Skeena on the subject it will be agreeable if we finish the estimates of the Minister of Industry tonight and try to finish those of the other two departments tomorrow. Perhaps that is the most satisfactory course.

Mr. Churchill: We would like to sit until midnight, Mr. Chairman. This discussion is all out of order; we have lost 15 minutes because of it.

Mr. McIlraith: Certainly the government is prepared to sit until midnight.

Mr. Knowles: I suggest, Mr. Chairman, that the hon. member for Winnipeg South Centre be allowed to stay here until midnight, if he wishes to do so.

Mr. Churchill: I will extend it to one o'clock.

Mr. Howard: I have a delightful way out of this impasse which will satisfy the hon. member for Winnipeg North Centre.

Mr. Knowles: Winnipeg South Centre.

Mr. Howard: In this way the hon. member for Winnipeg South Centre could stay here all

night if he wishes. So far as this party is concerned, we are agreeable to dispensing at this juncture with any debate on the items of the Department of Industry, the Department of Agriculture and the Department of Mines and Technical Surveys. If the Conservative party will agree to this, we can pass all these item right now.

Mr. Nielsen: That is irresponsible.

Mr. Howard: Otherwise I suggest you call it ten o'clock, Mr. Chairman.

Mr. Enns: Two minutes ago you spoke quite differently.

Mr. Howard: There is a choice before you.

The Deputy Chairman: Shall vote 1 carry?

Mr. Howard: Carried.

Mr. Irvine: Mr. Chairman, had we proceeded some 15 minutes ago I would have finished my remarks by now. I think it is a well known fact that I have had many questions on the order paper with regard to the Canadian Government Printing Bureau. It is also a well known fact to me that I have received some very left-handed answers to these questions and there are some 20 question to which I have not yet received any answer.

I should like to say that I am not on a witch hunt; I am not seeking to aggravate French-English relations within the bureau, which I know personally to be on the most unhappy of all bases. In my opinion the situation within the government printing bureau warrants, indeed demands, a thoroughgoing public inquiry. I am deeply disturbed by the situation that I know to exist and I have reason to believe that the minister also is much more concerned than he will admit to this house.

I have had a whole series of questions on the order paper seeking to elicit detailed information on the bureau operation, employment practices and inventory procedures, all with a view to establishing the fact that the Canadian taxpayer is indeed getting value for his tax dollar. I have been bombarded with a mass of ministerial white paper which promises to tell much but which, in reality, discloses very little. I said, Mr. Chairman, that I was not engaged in a witch hunt and I meant precisely that. It matters not a whit to me whether anyone attributes the real situation that exists in the bureau to the years the present government has been in office or to any other administration. My own, fundamental concern is to eradicate from the bureau, which bears the proud title of the Queen's Printer, practices that I am fully convinced are mulcting the Canadian public of thousands and thousands of dollars annually.

My information is that over the years there have been illegitimate practices at the bureau involving shortages of stock, the use of or outright theft of bureau equipment and supplies for private gain of certain individuals. My information further is that within the internal operation of the bureau there has been rank discrimination against certain personnel. My inquiries have revealed the operation of an illicit lending agency, group or society or what you might wish to call a Caisse Populaire. I have heard this described as a loan shark business. I say to the minister, this is just not good enough. This is deplorable, and is a situation which cannot be tolerated within an agency of the Crown.

Proof that the case I am submitting to the committee is not a witch hunt, Mr. Chairman, is provided by acknowledgements from the minister himself in some replies to my questions to the effect that the R.C.M.P., and the Hull city police have been compelled to carry their investigations into the theft of television sets, radios, tape recorders or other equipment into the bureau itself. My information is also that the city police of Ottawa have had a hand in these investigations. Indeed, in one instance, they seized a television set in the possession of a bureau employee.

The minister's response to my series of questions was beyond criticism for volume, but left much to be desired in the way of providing specific answers to specific questions. I can only conclude that he does not provide these answers in detail because of the danger of embarrassing himself and the government.

It seems to be the custom of employees of the Canadian Government Printing Bureau to become connected with outside enterprises, the work of which is allied to their line of work in the bureau. I will cite three or four cases, but I am going to refrain from naming individuals in so far as I can do so. I am not interested in castigating anyone, only in protecting the rights of the Canadian taxpayer. My information indicates the existence of the following examples:

A man who is a full time photographer within the bureau operates his own photography business outside of the bureau and has

access to equipment and supplies within the bureau.

The firm of Gasparo Limited, a commercial printing firm located in Hull, according to the answer given to question No. 329, is operated by at least a dozen employees of the bureau, three of whom are listed as directors of that company. The answer also relates that they have a 60 per cent interest in this business. I am further informed that 40 per cent is held in the name of a Hull businessman, as a front to keep the employees out of trouble.

I am further advised that this man either received a lump sum or an annual fee or dividend to protect these people.

It has also come to my attention that shortly after the first questions were asked, some of these people in the bureau worked long and hard removing equipment, etc. from these premises. I should think that an investigational committee would want to know what equipment was moved; where did it come from; where is it now? I am sure these answers would be very revealing.

I can also see two of these foremen, whom I could name, meeting in the Printing Bureau that evening, shaking hands and feeling that they have covered their tracks.

Further, No. 3, my impression of Accurate Printing, according to my informants, in spite of left-handed and evasive answers to question No. 327 is that one, Mr. A. R. Gentile was employed by the Printing Bureau until October 12, 1965, at which time he was a hand compositor. During this same period he operated a firm known as Accurate Printing, 12 Kevin Crescent, Ottawa. Further, I have documentary proof that he had a contract to print hundreds of voters lists and received the sum of $5,848.35 for this service.

I am informed that this work was done at the bureau, perhaps on bureau printing time, and perhaps using printing bureau equipment and material. This contract was given to this man while he was still an employee of the printing bureau. According to the answer to question No. 327(4) he retired on October 12, 1965. According to the Canada Elections Act, section 237, these lists must have been printed and ready for posting on October 13, 1965. Therefore they must have been printed while this man was still in the employ of the printing bureau.

Mr. Chairman, how can the minister justify the fact that an employee of his department was also doing a governmental printing contract, supposedly in his own personal plant at 12 Kevin Crescent. Were these voters lists—and I wish to ask the minister these questions, because I am sure that he is more interested than he appears to be—printed in the printing bureau? Were these voters lists printed on government equipment and supplies, on printing bureau time? I would think the minister would want to know the answers to these questions, and we certainly must have them.

To sum it all up, Mr. Chairman, my inquiries have revealed very definite wrongdoing in the Canadian Government Printing Bureau. First, there are three firms, all owned and operated by employees of the Canadian Government Printing Bureau, and interested in allied trades. These employees had access to equipment and supplies which could be used in their own, private business. Two of these firms have received government contracts.

Second, there is information that a money lending syndicate has operated and may still be operating within the bureau, and is doing business with the less fortunate at exorbitant interest rates in excess of 100 per cent.

Third, I have been informed that a ring has been operating in selling television, radios, tape recorders, etc., at ridiculously low prices at printing bureau premises to printing bureau employees. I am further informed that a television set was seized by Ottawa police from the home of a printing bureau employee and has not yet been returned.

How many other operations there are only a complete investigation would bring to light. I am informed that there are many.

• (10:40 p.m.)

Why, according to the answer to question No. 64, were the R.C.M.P. called in to investigate stolen goods at the Canadian Government Printing Bureau? Why were the Hull city police called in to investigate wrongdoing as detailed very evasively in answer to question No. 331, part D? Why were the Ottawa police brought into the picture supposedly to seize a television set sold to a printing bureau employee?

I should like to see a copy of the authorization dated July 12, 1962 which permitted the establishment of a credit union in the printing bureau. Why was there all the secrecy in answer to question No. 330?

I have grave fears that printing for outside interests has been going on in the printing bureau at the expense of the Canadian taxpayer.

In answer to question No. 327 it was disclosed there was a deletion of stores and equipment from the inventory, as detailed in board of survey No. 5, listed as obsolete and unserviceable items, in the amount of $123,-111.74.

I should like to know this, Mr. Chairman. What were those items in detail? Did they not have some salvage value? Why were they not turned over to Crown Assets Disposal Corporation? Surely something could have been saved. Or was this representative of an inventory shortage; was this an attempt to cover up? What about other shortages in the inventory? Why could not the R.C.M.P. and the other police forces track some of this equipment down? Why is it that according to my information so many employees were intimidated as result of my questions on the order paper?

Mr. Chairman, I am not interested in ruining the career of any individual, hence my hesitation about mentioning names. But I am interested in protecting the Canadian taxpayer. I am not approaching this matter in a partisan way. I am happy to let the chips fall where they may. If part of this situation can be traced to the previous administration, so be it. We are interested only in seeing that this situation is cleared up.

The onus is directly on the minister. Nothing will satisfy me or the people of Canada short of a public inquiry. Or we might turn the whole messy business over to a parliamentary committee composed of representatives of all parties in the house. I would personally supply to such a committee a list of some 30 or 40 witnesses to be called.

Mr. Coates: At this late hour I do not intend to make any extensive comments. However, I do wish to make some reference to the Department of Industry more particularly in connection with the government's designated area policy.

First I think it is necessary to mention the historic apathy felt by the Liberal party toward policies relating to the Atlantic area. This is the basic problem as I see it. In the 22 years up to 1957 we in the Atlantic area were retarded because the government of the day did not appreciate the fact that special policies, and a special application of national policies had to be considered as far as the maritime provinces were concerned.

Because of this we were not able to move forward. When a Conservative government was elected in 1957 in Ottawa, consideration was given to the special problems of the Atlantic area, and legislation was passed which had an immediate impact, and continues to have an impact on the economy of the area.

The minister has indicated that the government will continue to look at the Atlantic area in just the same way as it looks at the province of Ontario or the province of Saskatchewan, with respect to the area development program and the selection of designated areas. Everybody who has an appreciation of the problems in the Atlantic area has requested the minister to designate the whole area, but he has continuously refused to do this and says the program will apply in the Atlantic provinces in the same way as in other parts of Canada.

One of the best examples why this does not work is to compare a designated area in Ontario, which is surrounded by non-designated areas. Immediately there is an attraction to it from the areas not designated, so that in a short time its designation can be removed, but it will still be able to attract industries from the surrounding areas. This does not happen to be the case in the Atlantic provinces.

In the Atlantic provinces we have three or four growth areas, the rest being designateed. Our problem is that we must first create the right kind of atmosphere in the areas of affluence, if one wishes to call them that, so that benefits will flow from those areas into the other surplus labour areas, and so that surplus labour may be attracted into the affluent areas.

The minister has adopted the attitude that he does not want any change made in his program. He says it is going to apply the same way in B.C. as in Newfoundland, but surely he is coming to realize that things are not the same in the Atlantic provinces? If he is not, then he should go beyond the borders of Quebec and get some appreciation of what our problems are.

Just a few days ago in the provincial legislature, Premier Stanfield condemned the federal government because it was not willing to listen to the proposal that the whole Atlantic area be designated, and the special assistance granted under it be made available no matter where an industry might wish to locate in the Atlantic provinces. If the Minister of Industry does not know now that Premier Stanfield has the best possible appreciation of how to improve the economic

climate in Nova Scotia, he never will because, as he should be aware, this was one of the basic arguments in Nova Scotia during the federal election campaign.

• (10:50 p.m.)

The Minister of National Health and Welfare adopted the attitude he adopts in so far as the Atlantic provinces are concerned, adopted the attitude which his government adopts, and surely the result on November 8 is the best indication in the world of where the people of Nova Scotia put their confidence in so far as progress is concerned. There certainly are not many indications that it is with the present government which is in office.

Surely this government is interested in the seats in Nova Scotia, and is interested in improving their position there in the days ahead, because if redistribution comes into effect, under the existing conditions and the existing recommendations, the Liberal party as it stands at the present time is going to be left without one representative from that area, unless they are able to convince somebody in that province that they are realistic in their policies and that their policies are going to have some benefit.

In the Conservative party we even have taken the approach, if the minister cannot do what we ask within the confines of this legislation, that it should be done through the Atlantic Development Board, a board set up specifically to take into consideration situations such as this. But the Minister of Transport, who is answerable to the House of Commons for the Atlantic Development Board, certainly indicated in no uncertain terms to the member for Saint John-Albert that the Atlantic Development Board was not going to become involved in this matter, and that it is a matter which is being left at the door of the Minister of Industry.

I say to the Minister of Industry that his policy as it presently applies to the Atlantic provinces is not good enough; it is not good enough for the Premier of Nova Scotia, it is not good enough for the people of Nova Scotia, and I am sure that applies in any given area in the Atlantic region. I ask him again to re-consider a decision in respect of a policy which may be very satisfactory in some areas of Canada but is most unsatisfactory in the Atlantic area.

When you take a body like the Atlantic Provinces Economic Council, which for years has been studying how to improve prospects with regard to the attraction of industry and the elimination of high unemployment, and which presently is very much in existence in our area, you will get some appreciation of the kind of policies which should apply. This body has been urging the minister and this government for some time to designate the whole of the Atlantic provinces, and not leave out Halifax, Dartmouth, Saint John and Frederiction, and make sure that we do nothing to hinder this kind of growth that is needed in this area so that we will be able to attract to the whole of the area, to any part of the area, the industry that we must have if we are to eradicate the high unemployment that is so very evident there at the present time.

I say to the minister, never mind being a bureaucrat, like he once was; never mind being so difficult that when he once has made a decision he will say it never can be changed. Just give the kind of consideration that will be of benefit to our area, through this program. If he will do this, I am sure he will get full marks for it. The first man who would commend the government for its action would be the Premier of Nova Scotia, who I believe stands second to none in his knowledge concerning how new industry best can be attracted to our area, the problems associated with high unemployment and how they can be eliminated.

Mr. Howe (Wellington-Huron): Mr. Chairman, I too, want to say a word or two about designated areas and the criteria used to set them up, as carried forward by the Department of Industry. I realize that time is quickly passing and I will not go into this whole subject of diversification and decentralization of industry, about which I have spoken on many other occasions. However, I feel this is very important to a young country such as Canada is today.

I think we in this country can profit by the experience of Japan and cities like London and New York, which have found that the building of metropolitan areas has drawbacks which lead to difficulties in society in relation to expensive programs for traffic control, policing, fire protection and so forth.

I am prompted to speak tonight on this question because of the fact that in my own area there was a meeting sponsored by the council of the town of Mount Forest, an area which one might call a slow growth area. Even though we in the province of Ontario may be the envy of the people of the maritimes, as my colleague the hon. member for Cumberland mentioned a moment ago, there are areas in the province of Ontario which

have not profited or increased economically or in population as they should have, considering the tremendous expansion we have enjoyed in this province.

I feel that the criteria that have been set up in respect of designated areas are not fair and just. The unemployment figure in Ontario is now about 2½ to 3 per cent, so there are very few areas suffering an unemployment problem. I do maintain, however, that there are areas which have slow growth problems where the municipal officers, councillors, members of the chambers of commerce and wardens have done everything in their power to make their communities attractive, by providing the services to be found in larger and more industrialized centres, in the hope that industries could settle there and carry on their businesses at lower costs, providing employment. I suggest this is an advantage because many of these communities have high schools where vocational training is provided, and if there is employment the students graduating from these vocational schools can find jobs where they can use the skills they have been taught in their own communities.

The meeting held at Mount Forest on February 9 was prompted by a resolution passed by the council of the town. This resolution was circulated throughout the adjoining communities. This is the resolution that was passed and sponsored by this community:

> Whereas the present method of providing assistance to certain municipalities by means of designated areas of slow growth has created advantages to such municipalities in preference to neighbouring municipalities where similar, or in many cases more serious, problems of growth exist.
>
> And whereas it is felt that if assistance in its present form is considered to be necessary, and if it is to be rendered on an impartial basis.
>
> Now therefore be it resolved that in designating areas of slow growth it is recommended that total areas as opposed to individual municipalities be so designated and that all municipalities in such area shall be entitled to the same type of assistance, and in particular, that the area extending from Goderich to Orangeville, lying north of provincial highway number 9 and extending to Georgian Bay, be so designated.

• (11:00 p.m.)

This resolution was circulated throughout the area and prompted the meeting which brought together representatives from more than 34 communities in that area. I was rather surprised to find in the minutes of the meeting that representations had been made by two or three of the communities within that area, who had come to Ottawa asking that they might be included in this designation and participate in the special privileges given to communities within those areas. They were not too happy with the reception they were given and were sent home feeling there was just no hope for their ever being able to participate in this type of program.

I suggest to the Minister that once again a committee will be coming from that area to Ottawa asking that when the final reassessment is made of what are to be the criteria for designated areas, this formula perhaps should be changed and some consideration given to slow growth and to the young high school students in order that their names may be added to the number of people seeking work within that community, giving some hope that these areas will come within the special designation that is set up by the Department of Industry.

Mr. Winkler: Mr. Chairman, I wish to take a very few moments of the committee's time in regard to this question of designated areas. The minister knows of my interest; he knows the representations I have made; he knows of the group that, with me, saw him in this regard. I would add my voice to that of the people who at that time put up, in my humble opinion, a very good argument for the balance of the municipalities in the Georgian Bay economic region to be included in the designation of that area.

The minister replied to me personally at that time. I shall not go into the discussion that took place; the minister will recall it very well. But I would be remiss in my responsibilities if I did not bring to his attention the fact that I have had verified by the provincial government that the counties of Grey and Bruce are included in what is termed by the provincial government to be the Georgian Bay economic region. I asked the minister on that occasion, and I have asked him since, to include this area in the designation. His reply has been in the negative. I might say I was not particularly happy with the reception the delegation were given at the time they visited Ottawa. The minister himself was not present. We saw the Minister of Trade and Commerce of that day, who gave us a very reasonable reception. However, I feel that the officers of his department were extremely harsh in their view. I did not think they took into serious consideration the criteria that had been set up, particularly in regard to slow growth areas mentioned by the hon. member who preceded me.

This point was stressed by the Prime Minister when the legislation was introduced. I know that such legislation might well be termed discriminatory so far as the national picture is concerned because some will receive benefits and some will not. I am not saying that the people in the Georgian Bay area who are receiving the benefits of this designation are not in some way entitled ot it.

However, there is a tremendous differential between the municipalities who now have the benefit of this designation and those who do not. I ask the minister once again to recall that, from a provincial point of view, the entire counties of Grey and Bruce are considered as part of the Georgian Bay economic region. I request that they be considered as such when considering the extension of these designated areas. As the previous speaker mentioned: There is no question about it; there is no future in these areas for young people. We are exporters of our own youth, of our own product in education and in every field. Without these designations, there is no hope for future development such as the urban areas have. I hope at some time in the future the minister will see fit to give to the balance of Grey and Bruce counties the benefits of this legislation.

Mr. Nasserden: There is just one point I should like to make in connection with these designated areas, and it is with regard to the designation in the province of Saskatchewan. I have discussed the matter with the minister. I feel that the area from Saskatoon, north, between the South and North Saskatchewan rivers, should have been included in the designated area, and east from the South Saskatchewan river from Wakaw up to Melfort. Both the towns of Rosthern and Wakaw are on the outskirts of the designated area. The trade from the area around them is going to be funnelled into the city of Prince Albert and other places. I think the minister can understand what the people of both these towns think about that type of operation. I am not going to dwell any longer on it. I hope the minister will give some consideration to the matter in any plans he may have for the future.

Mr. Enns: I had not really intended to say anything. I can assure the committee I will be only a few minutes, but I should like to make some comment on the designated area program. As the minister already knows, I am personally interested in this and since other provinces have made some protest I felt Manitoba should have at least some slight voice in this discussion. I have met with the commissioner of the Area Development Agency, and I have been impressed with the difficulty of the administration of this program.

I merely want to say to the minister that I will follow up the pressure put forward by the province of Manitoba to have pretty well everything but the city of Winnipeg included in the area designation, and certainly the city of Portage la Prairie. The Chamber of Commerce of that city, the mayor and city council have put forward their views strongly in a previous presentation. I hope to see the minister to follow up this matter and will therefore not take up any further time of this committee.

Mr. Irvine: I should like to ask the minister if he is prepared to answer some of the questions that I posed, particularly the one with regard to the establishment of a parliamentary committee to check into the affairs of the printing bureau.

• (11:10 p.m.)

Mr. Drury: Mr. Chairman, the question of designated areas has been a difficult one. I think hon. members know the program was designed to provide, through industrialization, job opportunities in areas in which there is a long standing high rate of unemployment. It is only natural, of course, that because of the very substantial advantages accorded to areas designated, all of those on the periphery should be very conscious of the advantages on one side of the line and the lack of them on the other. The residents of those areas just on the perimeter of designated areas, whether they be in Nova Scotia, Ontario, Manitoba or Saskatchewan, feel that some slight modification of the boundaries could usefully be made which would make them very happy. I would agree with this. However, when one starts on this slippery trail there is perhaps no stopping.

I should like to say to the hon. member for Wellington-Huron and the hon. member for Grey-Bruce that a study in conjunction with the government of Ontario is being undertaken to determine what should be the economic region known as the Georgian Bay development area. As the hon. gentlemen know, there is some difference of administrative definition of boundaries in this region, as between the federal and provincial governments. Perhaps a closer look at the economics of the problem would be helpful. This is about to be undertaken.

Mr. Chairman, I was very distressed indeed to hear the remarks of the hon. member for London with respect to employees of the printing bureau. The hon. member appears to have been the victim of what I can only refer to as the most malicious kind of gossip. He has placed on the order paper 20 questions, 17 of which have been answered so fully that he finds the answers boring. An endeavour has been made to answer as fully as possible for a specific reason. The three outstanding questions are about one week old, and are now in the process of being answered.

The reason why answers have been fully given, or given in full, is that the printing bureau is quite naturally disturbed, as is the Department of Defence Production, at the insinuations carried in the questions themselves. I have personally indicated to the hon. member that I am prepared to provide any information that he wants from me. I share the interests of all members of the house in ensuring that the taxpayers of this country receive the full value for their dollars that they are entitled to. Personally I have absolute confidence in the head of the Canadian Government Printing Bureau. It is, I suggest, irresponsible, unfair, and unworthy of the conduct of a responsible member of this house to stand up and, in relation to a group of honest, hard-working civil servants, accuse them without any substantiation at all of bilking the public, of theft of government supplies, and of illicit operations in the Government Printing Bureau when, on the strength of the questions he has asked and had answered, there is no foundation whatsoever for any such charges.

I suggest the hon. member is being unworthy not only to himself but to this house in engaging in this kind of conduct. In one unanswered question he made references to a photographer in the Canadian Government Printing Bureau. That man was unnamed. It is a sly habit to refer to people who are easily identifiable, and in a holier than thou attitude not mention any names. The name of the man is contained in a question now on the order paper! Mr. Whelan. He was described by the hon. member as being a photographer in the Canadian Government Printing Bureau, a man who also operated his own photographic plant outside the printing bureau. The implication of this, the bland assumption by the hon. member, is that all government servants are dishonest—that in this case, because he has these two jobs he must be mulcting the public. Let the hon. member stand up and stake his seat on laying a charge.

[Mr. Drury.]

Some hon. Members: Oh, oh.

Mr. Starr: Are you laying a charge against a member of this house or are you talking about laying a charge against a civil servant.

Mr. Drury: A civil servant.

Mr. Starr: How do you, then, stake your seat?

Mr. Drury: I will answer by staking my seat. I am not afraid to do so. Let the hon. member make a specific charge and back his charges up with what he has here, if he is going to be a responsible member. I am sorry to say it has been a disappointment to me to be a member of a house where this kind of irresponsible behaviour—I should like to use stronger adjectives—is practiced.

Mr. Whelan is not employed as a photographer in the Canadian Government Printing Bureau. He is a clerk in the office there. He does have camera equipment of his own which he uses and from which I understand he makes money. A great many people in this country of ours do such things but if the hon. member is suggesting that no man in the employ of the government should have any kind of work for gain outside of his employ, then I suggest this will mean a new regime, a new dispensation for the civil service.

A fuller answer will be provided to this question which, as I say, is not yet seven days old, giving all the details. I am giving this example now, to indicate that a man whose name is now on the order paper was wrongly described. I regret to say the hon. member is either getting his misinformation from malicious sources or he is not taking the trouble to check it. This, I suggest, is unworthy of any member of this house. It is unworthy that he should take a chance of demeaning another man's name while relying on his parliamentary immunity in doing so. This is something about which I feel very strongly indeed.

As to the suggestion that on the strength of a series of imputations absolutely unsupported, indeed denied by the information he already has that this, as he calls it, stinking mess—and his charges are a stinking mess; that is a proper description—should be referred to a parliamentary committee and that the time of such a committee should be taken up by this kind of malicious gossip, I find that altogether unacceptable.

Mr. Irvine: I am indeed sorry to see the minister take such a view. I like to think of him as a minister of the Crown, a minister to be respected. I like to think of him addressing other members of the house in the manner in which one would expect a minister of the Crown to address them. We have listened to a verbal tirade but I do not think it was in keeping with what we expect to hear from a minister. He mentioned these questions. I have them here in front of me.

• (11:20 p.m.)

He says there are three questions. It is a matter of how you look at it. The questions are numbered 789, 790 and 791, but there is a complete total of 19 subquestions. I believe I made a mistake and said there were some 20 questions. I am sorry; I was one out. I did not count them that closely, but they are important, and if the minister is interested in the well-being of the people of Canada he should be interested in following up anything of this nature which has a solid foundation.

I purposely did not mention the names of individuals. I do not want to hurt any individual man. That is not my purpose but I am still convinced something should be done, and I am convinced the minister should appoint a parliamentary committee to look into the matter. I do not think there is any point in his being stubborn about it.

I would not bring this up if I did not think I was right. I have spent some two months checking a few things and, according to the information that I have, I stand on very solid ground. I do not want to have any feeling of animosity between the minister and myself but I do feel that the language he used was not right. It was not in keeping with a minister of the Crown. I think some of those things he said he would like to retract but, on the other hand, I am still sure we should have a parliamentary committee investigate the public printing bureau.

Mr. Nielsen: Mr. Chairman, I shall be very brief in the remarks I have to make. They are generated only because of the minister's totally unwarranted reply to some legitimate questions that he had been asked by an hon. member.

Those opposite seem to be unduly sensitive about the endeavours of individual members of the opposition performing what is their responsibility in this chamber in exposing to public scrutiny, particularly in their function of examining the estimates, all facets of government spending, and all facets of the operations of government departments, bureaux, crown corporations and the like.

The minister has described the conduct of the hon. member who raised these questions as unfair, unworthy and irresponsible.

Mr. Starr: Dishonest.

Mr. Nielsen: And, indeed, he used the term dishonest. It is a member's responsibility in cpposition to endeavour to lay bare those areas of government spending which the opposition feels are deserving of public scrutiny; and a government, if it did not have its eyes closed by blind arrogance, a government that has in it a generous proportion of members who once sat in opposition—but apparently not long enough—would see that that is the responsibile function of the opposition.

The questions raised by the hon. member for London are legitimate. They are deserving of careful and responsible replies, which have not been forthcoming from the minister this evening. Instead of dealing in the invective which he has used with regard to the remarks of the hon. member for London, the minister could have answered the questions. He could have told members of the committee what were the results of the R.C.M.P. investigation. He could have explained the circumstances under which a member of the printing bureau was given a contract to print voters lists.

Mr. McIlraith: That is awarded by the electoral officer.

Mr. Nielsen: He has not done this. Instead he has challenged the hon. member for London to stake his seat in connection with it. The Minister of Public Works says this is wrong.

Mr. McIlraith: No, I did not say that. I pointed out to my colleague that the contracts for the printing of voters lists are not awarded by the government. They are awarded by the returning officers for the electoral districts. The returning office in such case has the exclusive responsibility for it and can not be interfered with.

Mr. Nielsen: Yes, but let us face facts and not split hairs. The Minister of Public Works is a practising politician and he, as well as the rest of us, knows precisely how these voters lists get into the hands of printers for printing.

Mr. McIlraith: Yes, but the electoral officer in the constituency of Carleton, who is notoriously well identified politically, is the one who gave this contract, and I am surprised any member of the official opposition would raise anything about the placing of this contract.

Mr. Nielsen: This is not the point. The Minister of Public Works, as usual, is appearing to drag red herrings across the trail. The point is this; if these circumstances are so, and if a government employee working on government time has been awarded a government contract paid for out of the taxpayer's money, surely these are circumstances which require a searching inquiry, as well as the other circumstances that have been raised. It would appear that the questions placed on the order paper by the hon. member for London are particularly with regard to the activities which apparently are transpiring in the printing bureau, or the activities regarding the disposal of alleged stolen goods which have been investigated by the Royal Canadian Mounted Police. My recollection when I looked at those questions and answers very carefully, is that if it was serious enough to warrant investigation by the Royal Canadian Mounted Police, surely it is a reasonable request the member is making to have the matter referred to a parliamentary committee.

Perhaps it is possible to have the activities of the public printing bureau referred to the committee of the house which has been set up for the purpose of examining the minister's estimates. If that is so, instead of engaging in the kind of invective which the minister did, he could have told us that the activities of the bureau would be open to the fullest possible scrutiny and that any persons whom the members wished to have called would be called before the committee when his estimates are referred to this committee. That is what he might have told us at that time, and had he done so I am sure we would have been satisfied.

Were it not for the kind of inquiry the minister has asked for, we never would have discovered the horses on the payroll, but I will not mention that because I do not wish to engage in the same kind of politics that the minister has engaged in. However, certainly the request of the member is reasonable. The minister has referred to something the member did not say, a not uncommon practice in the heat of exchanges in this house. He referred to the member for London having called the situation in the printing bureau a stinking mess. I did not hear him say that. I am sure he did not, and I am sure the record will disclose that he did not say that.

I would ask the minister to give the committee an assurance that the printing bureau will be open to the fullest possible scrutiny when the estimates of his department come before the committee later, and that the printing bureau will be a part of the estimates to be examined by that committee.

Mr. Drury: Mr. Chairman, of course the estimates come before the committee. The government, in respect of all estimates, is prepared to submit them to the fullest possible scrutiny. This goes without saying. I am afraid that what the hon. gentleman wants me to do is to accept these insinuations and say we will let you have another run at it. I feel it is my duty to deny baseless charges. The hon. gentleman says I will not answer questions. I have answered in writing 17 out of 20 questions placed on the order paper. The hon. gentleman did not ask one single question tonight, except the sly kind of question with which some members of the house will be familiar, such as what happened to the television sets. What television sets is he talking about?

Mr. Nielsen: I assume the ones in respect of which the R.C.M.P. conducted an investigation. What were the results of that investigation?

• (11:30 p.m.)

Mr. Drury: If the hon. gentlemen will read the answer he will find that the results of the investigation were nil. The R.C.M.P., operating as they frequently do, on the basis of gossip, have chased this down and discovered nothing, and so the hon. gentleman was informed. He is not satisfied with that answer. The fact that the R.C.M.P. examined an alleged condition in the printing bureau and found nothing is to him a cause for further suspicion. I do not know how that kind of a suspicious nature can be satisfied. If the hon. gentleman has questions to ask I will be glad to answer them because I am persuaded that the fullest kind of information about the Canadian Government Printing Bureau will redound to its credit. I am prepared at any time to answer any and all questions, and I will be delighted to do so, but I do not like at all sitting here hearing expressions such as that quoted alleging shortages of stock.

The hon. gentleman knows that the Auditor General peruses the entire accounts of the

Canadian Government Printing Bureau annually. He knows that is a customary practice because he has looked into the operations of the printing bureau. He knows that book shortages are surveyed annually and written off. He also knows, because he received a written answer to his question, that obsolete and surplus equipment are declared surplus and written off, and then disposed of by the Crown Assets Disposal Corporation.

What questions did the hon. gentleman ask me? I suggest he asked me none; he merely made allegations.

Mr. Nielsen: Mr. Chairman, I listened to the hon. member for London and I found more substance in his questions than the minister would like to have us find. If the minister is prepared to say now that he would be more than willing—

Mr. Drury: I have already said that I am.

Mr. Nielsen: The minister has not answered because he has not heard the complete question I want to ask him. If the minister is prepared now to assure the members of the committee that when his estimates come before the standing committee of the house later this session, officials and other witnesses referred to by the hon. member for London will be given an opportunity to appear, I am sure that all the members of this committee will be happy to allow the matter to stand there.

Mr. Drury: I repeat that I have given that assurance.

Mr. Nielsen: The minister has not given us that assurance. He has only said that he would be willing to answer the questions asked of him.

An hon. Member: Oh, oh.

Mr. Nielsen: I hear groans from the other side. I am sure that hon. members will find a distinction between the minister appearing and the officials of the printing bureau appearing, and that is what the hon. member for London asked for, as I understood his remarks.

If the minister is prepared to give us the assurance that he will give an opportunity to the officials and employees of the printing bureau to appear before the committee I am quite sure the members of this committee will be happy to let the matter stand.

Mr. Irvine: I have in my hand a rather lengthy answer to question No. 327, having to do with certain items of equipment that were allegedly written off, and I am sure that they were. This shows that one item, according to the board of survey No. 5, was considered obsolete and unserviceable equipment, made up of printing and duplicating equipment, bindery and allied equipment, spare parts and miscellaneous equipment in the amount of $121,953.47. This was listed as a gross write-off. Surely there must be some salvage value, and that was the substance of the question I asked. Surely this equipment would be turned over to the Crown Assets Disposal Corporation, because $121,000 worth of equipment and machinery would have some salvage value. I do not wish to belabour this point but I think it is very important.

Mr. Drury: I am confused, Mr. Chairman. Is the hon. gentleman referring to the answer to question 327?

Mr. Irvine: Yes.

Mr. Drury: Will the hon. member tell me where he gets these figures; is it out of the answer to question 327?

Mr. Irvine: The answer is detailed as follows:

June 1, 1965, Schedule I. Canadian Government Printing Bureau—Board of Survey No. 5. Summary.

Under this heading is listed:

Obsolete or unserviceable.

Then below that:

Printing and duplicating equipment, $92,383.45; bindery and allied equipment, $23,368.53; spare parts and miscellaneous accessories, $6,201.49.

This gives a total of $121,953.47.

I will leave that matter with the minister for a moment. I am quite sure the minister has nothing to hide, but why would he not want to turn this matter over to a parliamentary committee and have it checked out? I am very interested in the question and suggest that the minister follow this course. There is another matter in which I am very interested; it is that the minister should withdraw the word "dishonest" because it is not in keeping for any member of this house, let alone a minister of the Crown, to use that kind of word when addressing a fellow member of the house.

Mr. Drury: Mr. Chairman, if I did use the word "dishonest", I recognize that it is unparliamentary and withdraw it.

Mr. Irvine: Thank you, Mr. Minister.

Mr. Nielsen: All we need now, Mr. Chairman, is the minister's assurance in reply to my question, as far as I am concerned.

Mr. Churchill: Then we might pass the estimates.

Mr. Drury: I shall be glad to make provision for the fullest examination of the estimates of the Canadian Government Printing Bureau when they are placed before the committee studying those estimates, and facilitate the appearance of officials to give evidence before that committee.

Mr. Nielsen: I would include in the term "employees" the witnesses to whom the hon. member for London has referred.

Mr. Drury: I have no control over witnesses. If the hon. member for London has some friends from whom he is receiving his information and wants to bring them before the committee, he can do so; but I am not going to sponsor them.

Mr. Nielsen: Perhaps the minister would extend this facilitation to include employees as well as officials in the appearance before the committee. There would be no objection to employees appearing before the committee?

• (9:40 p.m.)

Mr. Drury: Mr. Chairman, the hon. gentleman accused the Minister of Public Works of splitting hairs, but this is the finest hair-splitting I have seen this season. We will include all employees, both male and, if necessary, female, so there will be no misunderstanding. I do not want to hide anything.

Mr. Nielsen: The minister is being facetious now. We all know how the standing committees of the house function. The majority lies on the government side and their friends to my left, and more often than not when the opposition asks for witnesses to appear or documents to be produced before committees we are frustrated in that objective. The minister has given his assurance that he will facilitate the appearance of these witnesses from the printing bureau. I for one am happy with that assurance and I would imagine the hon. member for London is also.

The Deputy Chairman: Shall vote 1 carry?

Mr. MacInnis (Cape Breton South): Mr. Chairman, I would just like to ask the minister one question with respect to the heavy water operations in Glace Bay. Could the minister indicate what the requirements are at the present time for heavy water in this country and whether any progress is being made in the awarding of a second contract to the Glace Bay plant?

[Mr. Nielsen.]

Mr. Drury: I would be delighted to furnish the information if I had it, but responsibility for the production of heavy water now rests with the Minister of Mines and Technical Surveys.

Item agreed to.

• (11:40 p.m.)

DEPARTMENT OF INDUSTRY

1. Departmental administration, including grants as detailed in the estimates, $6,007,600.

Mr. Hales: Is the minister going to make any statement on the Department of Industry.

Mr. Drury: I think, having regard to the lateness of the hour, this would not be welcome, Mr. Chairman.

Mr. Hales: I realize the hour is late, but there are one or two things the minister should answer at this time. I feel he may be expecting me to say something about the Canada—United States car treaty, but I do not propose to say anything about it. The government has a resolution on the order paper and the house will be asked to give approval of that later.

In so far as the Department of Industry is concerned, it is only three short years ago since this department was established. At that time we suggested to the minister and the government that it was not necessary to set up such a department; that the work the department intended to do could quite easily be done by the Department of Trade and Commerce. We even suggested the name be changed to trade and industry. I realize that the Canadian Manufacturers' Association perhaps made requests to have some department in Ottawa for industry. At the same time, I feel they would have been quite satisfied to have a branch of industry within the Department of Trade and Commerce headed by a Deputy Minister.

When we realize that this department started three years ago with around 50 people and has now grown into one of the fastest growing empires on parliament hill, we feel the minister is duty bound to explain to this committee just what all this is about. Where is all this money going, and where are all these people employed? In the 1964-65 estimates there were $24.5 million allotted to this Department of Industry with a staff of 573 people. The next year's estimates indicate a jump of $10.5 million would be needed to operate this department with a staff of 583 people. Then, when we look at the estimates for 1966-67 we see this department needs $50.5 million with a staff of 635.

Now, Mr. Chairman, we of the official opposition want to know where this money is being spent and what these people are doing. Why is this necessary? What is this Department of Industry doing? We want to know more about the results being achieved for all this money that is being spent. We want to know the results which are being achieved for the expenditure of the taxpayers' money.

Time is very short and there are many things I should like to enlarge upon. However I reiterate that this is the fastest growing empire on parliament hill and I think it is high time the opposition knew something about these great expenditures.

I am only going to mention a few things concerning the free trade pact as it applies to car parts manufacturers. This is one thing the Department of Industry has done: It has put out of business the Canadian car parts manufacturers. They have dropped out of business like flies in all parts of the country. I have one specific case in my own riding in which a man is in the business of making electrical car harnesses. He tells me he has simply got to go out of business because he cannot compete in view of the cost of the wire which is based on the price in the United States, plus the cost of transportation and importation. This makes it impossible for him to compete on a free trade basis.

I know that the minister, and through him the department that deals with taxation, has said to this man, "You can bring this wire in duty free so that you can compete with United States competitors, but it has got to be cut in lengths. It has got to be in varying lengths rather than in a roll." Theoretically that is of great help to this man, but practically it is not worth a sou. Therefore the man I talk of has got to get into another line of business to do, perhaps, with boats, tractors, or forked lift trucks. But so far as the car business is concerned he is out.

In this country we have car parts manufacturers trying to compete with manufacturers in the United States. They have to bring in extra machinery, they have to enlarge their production, increase their efficiency, and the first thing that is done is that the 11 per cent production tax is put on. I hope that the minister will have a word with the Minister of Trade and Commerce. I hope that communications in cabinet are good, because the minister has said, tonight, that he was all for removing the 11 per cent sales tax. We have car parts manufacturers saddled with an 11 per cent sales tax that their counterparts do not have. Firms making replacement parts, not new parts, for cars are now very concerned that the free trade agreement is going to apply to them as well, and they are concerned that they will be put out of business, as have been the car parts manufacturers. I am not talking about cars at the moment. So far as the manufacturers of parts are concerned, they have had a rough time. I agree that a few of the large operators will survive. Those people who can get adequate capital, buy extra machinery, and so on, will survive. But smaller operators I am afraid are out of luck. I feel sorry for them. They have had the course, due to this treaty that was brought in by the Liberal government.

The other day tool and die labour people were in Ottawa. They saw the minister of manpower, and told him that their problem was due to the shortcomings of the Canada—U.S. Free Trade Agreement. This is a big subject which we have not time enough to go into tonight. We want to know about the area development program mentioned here through the designated area legislation. No matter what happens with respect to that, you are in trouble. If you move the line from here to there, you are still in trouble. Ever since this legislation has been brought in it has been nothing but discriminatory from beginning to end. I had experience in the early days of it. One of my first experiences with it was when Brantford was made a designated area, and the city of Guelph was not. So far as the designated area and area development legislation is concerned, it has been nothing but trouble from that day to this.

We want to know something about the industrial technology that was introduced, I think, last June. The hour is late, and there are very many things I should like to go into, in more detail. We want to know about the Department of Industry, because we were told when it was set up that it would be staffed by people moving from the Department of Trade and Commerce and from the Department of Defence Production. I have a question on the order paper, asking for the staffs of these departments as of certain dates. I have not received the answer yet. However, I am as sure as I am standing here that there will be a staff increase in every one of these departments. Yet we were told that the staff would come from other departments. There has been nothing but confusion in this from beginning to end.

If a man comes to Ottawa and he wants to talk to somebody down here about textiles, or chemicals, or food products, or certain types of machinery, he can go to any one of these

departments—Industry, Trade and Commerce, and Defence Production—and find somebody to talk to in each one with respect to what he wants, but he will have the run around until he finds the right man. He will find that what he seeks is not here; that he will have to go over there.

• (11:50 p.m.)

It has been nothing but confusion from beginning to end since this department was set up. I think it is high time we got things on to an even basis and end this duplication and overlapping. When we realize the cost has risen to $50 million and that we have a staff of 635 people in the department we are entitled to know where this money is going, what all these people are doing and what are the results.

Item agreed to.

NATIONAL RESEARCH COUNCIL, INCLUDING THE MEDICAL RESEARCH COUNCIL

1. Salaries and other expenses, $27,973,900.

Mr. Cantelon: I do not doubt that I shall be one of the most unpopular members of this committee for a few minutes but I believe national research is a subject on which some comment should be made. I feel sure that in a country such as ours there is no more important thing for the future than research. It is on this basis that I make these few comments.

Two or three weeks ago I asked the Prime Minister a question about the amount of research money which is coming to us from the United States. Unfortunately, the information which Dr. Polanyi gave in the course of a broadcast dealing with the subject was not quite correct and the Prime Minister pointed this out. Nevertheless the fact remains that there is a substantial amount of money coming to us from the United States for use in research. I fear we shall lose much of this money as a result of restrictions in connection with the transfer of funds from the United States to Canada. This makes it imperative in my view that we should increase our research grants.

I know that a great deal could be said about the subject but it is my intention to be brief. I hope the minister when presenting his estimates for the coming year will take this matter into consideration and see that his colleagues increase substantially the grants

which are made to the National Research Council and to the Medical Research Council.

There are many points I could bring out to support this contention, but time is short. However, I want to illustrate what is happening by referring to the two gentlemen who were mentioned on the broadcast to which I have referred, Dr. Bartlett from the University of British Columbia and Dr. Polanyi of the University of Toronto, who made the broadcast. Dr. Bartlett, I am afraid, is leaving for Princeton though other universities in Canada have done their best to keep him here. Since he has won not only the Steacie award but another award, the research corporation award for 1965, worth $10,000, he is obviously the kind of man we would like to keep in Canada. If we are to do this we must not only see that these men are well paid, we must see they get the students who can work with them, places in which to live and the equipment necessary for them to carry out the research they want to do.

Much of it may seem to be research that does not mean anything, but in the long run often means a great deal. We need the buildings which will accommodate this research, so I make a plea to the minister to see that in his new estimates full consideration is given to this fact, so that research grants will be greatly enlarged, and I mean greatly enlarged.

The best estimate the Canadian Association of Graduate Schools was able to come up with was that expenditures should be $160 million a year by 1970-71, and over $250 million a year by 1975. These are almost astronomical figures in relation to what is being done today, but I hope this will be given the fullest consideration and that more generous grants will be made.

Mr. Barnett: Mr. Chairman, since we have gone along this far I think I should join the hon. member for Kindersley in doing my little bit to assist the hon. member for Winnipeg South Centre in achieving his objective of sitting until midnight.

Mr. Churchill: Thank you very much. I said one o'clock.

Mr. Barnett: Earlier this evening we had some discussion on designated areas, which the minister said were designated because they contained so little industry and had such high unemployment that the government felt something should be done about the situation. I suggest we are reaching a point where there are other areas in the country which should

be designated because of the fact that they contain so much industry that they are reaching the stage where they are no longer fit for people to live and work in them.

This is because industry has been allowed to develop in a way that its operations create pollution of the air and neighbouring waters, pollution which is reaching an acute danger point so far as the welfare of people is concerned.

I discussed this matter for a few minutes the other night when the estimates of the Department of Forestry were before us, with particular reference to one research item. Also, as the Minister of Industry may have noted, I have a question on the order paper, but apparently I am not alone in that, in attempting to find out what the federal government is doing through its various agencies in the field of research into air and water pollution.

So far as I am aware, the National Research Council is the most important research organism in the whole establishment of the federal government, and this item of the estimates is of interest to me.

I have noted a resolution on the order paper respecting certain changes in the operation, as well as the title of the research council. I am sure the government house leader is anxious that that resolution be discussed at the earliest possible date. However, one of the reasons I am rising tonight is to draw to the attention of the minister the fact that my question has been on the order paper since February 9, and to say I hope I shall receive an answer to it before we come to deal with the resolution preceding legislation respecting the National Research Council. I am referring to question No. 555, and I hope I receive the answer before we come to discuss what the future nature of the federal government's research activities should be.

• (12 midnight)

I am not going to pursue this question at any length tonight, except to say that I would appreciate it very much if the minister could, out of hand, name for me any of the major efforts presently under way by the National Research Council in the field of air pollution research or water pollution research, if such in fact do exist.

Mr. Drury: Mr. Chairman, I am sorry I cannot give the hon. gentleman a precise answer to his question, but I will inform myself and inform him.

Item agreed to.

The Deputy Chairman: This concludes the estimates of the Department of Defence Production, the Department of Industry and the National Research Council. We will now proceed to study the estimates of the Department of Agriculture.

Mr. Knowles: Oh no we don't.

Mr. Starr: Mr. Chairman, I think we would be prepared to sit and conclude the estimates of the Department of Agriculture but I have been discussing this matter with the government house leader and we have taken into consideration the staff, the *Hansard* reporters and the translators who now are fairly tired. In view of the situation I think we have had enough for tonight.

Mr. Thompson: Mr. Chairman, it is very commendable to hear the hon. member for Ontario express his consideration for the staff. I also would remind you, Mr. Chairman, that we agreed to sit through these estimates we just now have completed. Because there are a number of members who are interested in the agricultural estimates, who are not here now, we would not wish to continue further.

[*Translation*]

The Deputy Chairman: Order. It being now past ten o'clock, shall I rise, report progress and ask leave to sit again? Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

[*English*]

Mr. Knowles: Mr. Speaker, on a point of order; would the house give unanimous consent for the two questions which were posted for the late show tonight to be stood over for another night and hold their position.

The Acting Speaker (Mr. Rinfret): Is it agreed that the questions which were to be heard tonight after ten o'clock should be put forward to the next day.

Some hon. Members: Agreed.

Motion agreed to and the house adjourned at 12.07 a.m.

Supply—Items Passed

[The following items were passed in committee of supply this day:]

DEPARTMENT OF FINANCE

Administration—

1. Departmental administration including administration of the Guaranteed Loans Acts, the salaries and expenses of the inspector general of banks' office, and grants as detailed in the estimates. $3,862,800.

Royal Canadian Mint—

35. Administration, operation and maintenance, $2,701,000.

35b. Administration, operation and maintenance, $165,500.

40. Construction or acquisition of equipment, $480,300.

40b. Construction or acquisition of equipment, $107,200.

Municipal grants—

10b. Grants to municipalities—To extend the purposes of Finance Vote 10 to the main estimates, 1965-66, to authorize a grant to the corporation of the city of Ottawa in accordance with terms and conditions prescribed by the Governor in Council with respect to buildings owned by Her Majesty in right of Canada and situate in the city of Ottawa in lieu of redevelopment charges imposed upon owners of buildings erected or enlarged under building permits issued after May 2, 1960 and to provide a further amount of, $3,850,000.

Government administration—

15. Contingencies—Subject to the approval of the treasury board, (a) to supplement the paylist provisions of other votes; (b) for miscellaneous minor or unforeseen expenses; and (c) for awards under the Public Servants Inventions Act; including authority to re-use any sums repaid to this appropriation from other appropriations, $6,000,000.

15b. Contingencies—Subject to the approval of the treasury board (a) to supplement the paylist provisions of other votes; (b) for miscellaneous minor or unforeseen expenses; and (c) for awards under the Public Servants Inventions Act; including authority to re-use any sums repaid to this appropriation from other appropriations, $35,000,000.

15d. Contingencies—To extend the purposes of Finance vote 15 of the main estimates for 1965-66 to supplement, in such amounts and in accordance with such terms and conditions as the treasury board may prescribe, the 1965-66 and 1966-67 estimates of other departments in order to provide for a winter construction and repair program and to provide a further amount of, $25,000,000.

17d. Government's contribution as an employer under the Canada Pension Plan and the Quebec Pension Plan in respect of persons employed in the public service whose remuneration is payable out of the consolidated revenue fund, $3,550,000.

18. Government's contribution to the superannuation account as a result of the authorization of salary increases, each one of which was applicable to at least that percent of the contributors under the Public Service Superannuation Act, during the 1963-64 and 1964-65 fiscal years, as may be prescribed by the treasury board, in such amount as, in the opinion of the minister of Finance, is necessary to provide for one fifth of the cost to Her Majesty in right of Canada for the benefits payable under that act, as a result of the said salary increases, $10,000,000.

19b. To deem, for the purposes of subsection (4) of section 11 of the Public Service Superannuation Act, Mrs. E. T. Pettie to have been employed in the public service substantially without interruption for a period of five years immediately before her retirement therefrom, $1.

20. Government's share of surgical-medical insurance premiums and government's contributions to pension plans and death benefit plans for employees engaged locally outside Canada who are excluded from the Public Service Superannuation Act, to the unemployment insurance funds in respect of government employees paid through the central pay office and to the hospital insurance (outside Canada) plan, $11,340,000.

21b. To authorize, with effect from April 1, 1965, payment in the current and subsequent fiscal years of an annuity under the locally engaged (non-contributory) pension regulations in respect of Hilda L. Waddell as if, upon her retirement from employment, she was an employee within the meaning of the said regulations on July 1, 1961, and to repeal, with effect from April 1, 1965, Vote 95 of Appropriation Act No. 5, 1959, $1.

22d. To authorize with effect from April 1, 1965, payment in the current and subsequent fiscal years of an annuity under the locally-engaged (non contributory) pension regulations in respect to Mr. Julio Moreira as if upon retirement from employment he was an employee within the meaning of the said Regulations on July 1, 1961 and to repeal with effect from April 1, 1965, Vote 734 of Appropriation Act No. 4, 1954, $1.

Comptroller of the treasury—

25. Administration, including the administration of the Superannuation and Retirement Acts, $25,077,400.

Tariff board—

30. Administration, $312,800.

AUDITOR GENERAL'S OFFICE

1. Salaries and expenses of office, $1,746,200.

DEPARTMENT OF FINANCE

Municipal development and loan board—

45. Administration, $216,000.

50b. To authorize the municipal development and loan board in the current and subsequent fiscal years, in cases where a municipal project, in respect of which a loan is approved by the board under the Municipal Development and Loan Act, is not completed on or before the 31st day of March, 1966, to forgive payment of 25 per cent of that portion of the principal amount of the loan that is advanced after the 31st day of March, 1966 with respect to the costs, as determined by the board, incurred on the project on or before that date, $10,000,000.

Loans, investments and advances—

L26b. To provide for the purchase, acquisition, and holding by the Minister of Finance of securities issued by the Canadian Corporation for the 1967 World Exhibition pursuant to subsection 1 of Section 12 of the Canadian Corporation for the 1967 World Exhibition Act and to subsequently dispose thereof, $80,000,000.

L100d. Special accountable advances during the 1965-66 and 1966-67 fiscal years to or in respect of persons employed in the public service whose remuneration is payable out of the consolidated revenue fund and who are required to make contributions under, (a) the Public Service Superannuation Act or the Diplomatic Service (Special) Superannuation Act, and (b) the Canada Pension Plan or the Quebec Pension Plan, in the amounts by which the combined contributions required from such persons in respect of remuneration to which an Act referred to in paragraph (a) and an Act referred to in paragraph (b) both apply exceed 6½ per cent of such remuneration in the case of males and 5 per cent of such remuneration in the case of females, $3,550,000.

DEPARTMENT OF INSURANCE

1. Departmental administration, $950,400.

DEPARTMENT OF FINANCE

Administration—

1b. Departmental administration including administration of the Guaranteed Loans Act—To extend the purposes of Finance Vote 1 of the main estimates, 1965-66 to include the payment of service fees to the provinces, as described in the details of estimates, the grant detailed in these estimates and to provide a further amount of, $141,500.

1d. Departmental administration, and grants as detailed in the estimates, $15,000.

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 1963 (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, $8,500,000.

Municipal grants—

10. Grants to municipalities in accordance with the Municipal Grants Act and regulations made thereunder, $33,000,000.

DEPARTMENT OF TRADE AND COMMERCE

A—Department—

General administration—

1. Departmental administration including fees for membership in the international organizations listed in the details of the estimates, $5,664,700.

Trade commissioner service—

5. Administration, operation and maintenance, $7,173,000.

Trade Commissioner service—administration

5b. Operation and maintenance, $138,000.

10. Exhibitions branch, $2,591,700.

15. Canadian government travel bureau—To assist in promoting the tourist business in Canada including a grant of $37,000 to the Canadian tourist association, $6,290,600.

Standards branch—

20. Administration and operation, $3,602,700.

Dominion bureau of statistics—

25. Administration and operation including the fee for membership in the Inter-American Statistical Institute and a contribution of $500 to the International Statistical Institute, $14,298,000.

26. 1961 Decennial Census of Canada, $285,200.

27. 1966 Quinquennial Census of Canada, $1,113,800.

1967 world exhibition—

29. Canadian government participation in the 1967 world exhibition, Montreal, $9,540,500.

B—National energy board—

30. Administration, $954,000.

Loans, investments and advances—

Trade and Commerce—

L77d. Acquisition in the current and subsequent fiscal years of uranium concentrates in accordance with contracts to be entered into, with the approval of the governor in council, by Eldorado Mining and Refining Limited on behalf of Her Majesty in right of Canada and uranium producers; and to provide in the current and subsequent fiscal years in respect of the uranium concentrates purchased under the said contracts, (a) the cost of stockpiling; (b) the cost of refining to uranium trioxide; and (c) interest payments to Eldorado Mining and Refining Limited at a rate equal to the monthly average of weekly three-month treasury bill tender rates less 0.5 per cent; authority is granted to expend in the current and subsequent fiscal years in respect of this program an amount not exceeding $135,000,000; estimated amount required for the current fiscal year, $13,500,000.

L78b. To increase to $850,000 the amount that may be charged at any time to the special account mentioned in vote L61e of the Appropriation Act No. 4, 1964, that was established for the purpose of providing working capital advances to posts and to employees on posting abroad and to departmental field offices in Canada, $150,000.

L78d. To increase to $1,150,000 the amount that may be charged at any time to the special account mentioned in vote L61e of the Appropriation Act No. 4, 1964, that was established for the purpose of providing working capital advances to posts and to employees on posting abroad and to departmental field offices in Canada, $300,000.

DEPARTMENT OF DEFENCE PRODUCTION

A—Department—

1. Departmental administration including the care, maintenance and custody of standby defence plants, buildings, machine tools and production tooling and grants to municipalities in lieu of taxes on Crown-owned defence plants operated by private contractors, $16,922,800.

1d. Departmental administration including the care, maintenance and custody of standby defence plants, buildings, machine tools and production tooling and grants to municipalities in lieu of taxes on Crown-owned defence plants operated by private contractors, $155,000.

Supply—Items Passed

5. For the establishment of production capacity and for capital assistance for the construction, acquisition, extension or improvement of capital equipment or works by private contractors engaged in defence contracts, or by crown plants operated on a management fee basis, or by Crown companies under direction of the Minister of Defence Production, subject to the approval of Treasury Board, $2,217,000.

5b. For the establishment of production capacity and for capital assistance for the construction, acquisition, extension or improvement of capital equipment or works by private contractors engaged in defence contracts, or by Crown plants operated on a management-fee basis, or by Crown companies under direction of the Minister of Defence Production, subject to the approval of Treasury Board, $440,000.

10. To establish qualified sources for the production of component parts and materials, subject to the approval of treasury board, and to authorize, notwithstanding section 30 of the Financial Administration Act, total commitments of $1,200,000 for the foregoing purposes during the current and subsequent fiscal years, $500,000.

B—Emergency measures organization—

20. Administration and operation, $2,719,800.

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, $1,764,200.

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.

C—Crown companies—

35. Expenses incurred by Defence Construction (1951) Limited in procuring the construction 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, $2,085,000.

Canadian arsenals limited—

40. Administration and operation, $2,017,000.

45. Construction, improvements and equipment, $188,000.

DEPARTMENT OF INDUSTRY

1. Departmental administration, including grants as detailed in the estimates, $6,007,600.

5. To sustain technological capability in Canadian industry by supporting selected defence development programs, on terms and conditions approved by treasury board, and to authorize, notwithstanding section 30 of the Financial Administration Act, total commitments of $60,000,000 for the foregoing purposes during the current and subsequent fiscal years, $25,000,000.

10b. To advance the technological capability of Canadian manufacturing industry by supporting selected civil (non-defence) development projects on terms and conditions approved by Treasury Board and to authorize, notwithstanding section 30 of the Financial Administration Act, total commitments of $20,000,000 for the foregoing purposes during the current and subsequent fiscal years, $5,000,000.

Public printing and stationery—

1. Departmental administration, $223,100.

5. Printing, binding and distribution of official documents and publications for sale and distribution to departments and the public including the Canada Gazette and the annual statutes, and the purchase for sale of such other publications and related material as the treasury board may approve, $3,154,400.

ATOMIC ENERGY

Atomic energy control board—

1. Administration expenses of the Atomic Energy Control Board, $186,400.

5. Grants for researches and investigations with respect to Atomic Energy, $1,600,000.

Atomic Energy of Canada Limited—

(Research program)—

10. Current operation and maintenance, including expendable research equipment, $40,549,600.

15. Construction or acquisition of buildings, works, land and equipment and to authorize Central Mortgage and Housing Corporation to undertake construction of works near the Whiteshell Nuclear Research Establishment for Atomic Energy of Canada Limited, $12,976,500.

Loans, Investments and Advances—

Atomic Energy of Canada Limited—

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 Douglas Point generating station; 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 an engineering design office at Sheridan Park; to finance the construction of housing and other works near the Whiteshell Nuclear Research Establishment; and to authorize Central Mortgage and Housing Corporation to undertake construction of the said housing and other works near the Whiteshell Nuclear Research Establishment for Atomic Energy of Canada Limited, $112,162,000.

NATIONAL RESEARCH COUNCIL, INCLUDING THE MEDICAL RESEARCH COUNCIL

1. Salaries and other expenses, $27,973,900.

1b. Salaries and other expenses—to extend the purposes of vote 1 of the main estimates for 1965-66 to include the making of recoverable advances not exceeding the amount of the share of the United States government of the cost of operation of the Churchill Research Range and to provide a further amount of, $2,141,000.

5. Construction or acquisition of buildings, works, land and equipment, $6,700,000.

5b. Construction or acquisition of buildings, works, land and equipment—to extend the purposes of Vote 5 of the main estimates for 1965-66 to include the making of recoverable advances not exceeding the amount of the share of the United States government of the cost of improvements to the Churchill Research Range, $1.

10. Scholarships and grants in aid of research, $30,700,000.

15. Assistance toward research in industry 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 $4,500,000; $3,500,000.

HOUSE OF COMMONS

Wednesday, March 2, 1966

The house met at 2.30 p.m.

CANADA PENSION PLAN

ANNOUNCEMENT OF ALLOCATION OF INVESTMENT FUND

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I should like to make a statement on the Canada Pension Plan investment fund.

Under the Canada Pension Plan, all funds received but not required at the end of each month to meet expenses and payments of benefits during the following three months are transferred to the Canada Pension Plan investment fund for the purchase of securities of the provinces or the government of Canada. These are special non-marketable securities, with terms of up to 20 years.

The allocation for purchases of provincial securities by the Canada Pension Plan investment fund is proportionate to the amounts of contributions paid in each province. Any balance not taken up by the provinces, together with funds collected in the Yukon and Northwest Territories, must be invested in special non-marketable securities of the government of Canada. The securities issued for this purpose by the government of Canada are subject to the same conditions as those issued by the provinces.

The first funds were available for investment by the Canada Pension Plan investment fund at the end of February. These were derived from contributions paid in January and amounted to $34,852,909. Provincial treasurers have been advised that the amounts available for the purchase of their securities up to and including March 10, 1966, are as follows: Newfoundland, $655,000; Prince Edward Island, $108,000; Nova Scotia, $1,248,000; New Brunswick, $972,000; Ontario, $20,110,000; Manitoba, $2,077,000; Saskatchewan, $1,432,000; Alberta, $3,064,000; British Columbia, $5,085,000.

If the provinces take up the above amounts as expected, the amount available for the purchase of securities of Canada will be $101,909. The rate of interest applicable to these securities, as determined by the Minister of Finance under the act, is 5.29 per cent. Interest is payable semi-annually.

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A statement was issued in the form of a press release on February 4 giving a preliminary forecast of the amounts which might be available to the investment fund for the purchase of provincial securities. Because of lags in the receipt of contributions and the need to deduct administrative expenses which had already accrued, the amount available for investment in this first month was somewhat below the preliminary forecast.

I am making this statement, Mr. Speaker, because I believe there is some interest among members in this initial allocation of pension plan funds. In future the provinces will be notified directly of the amounts available, and I do not intend to make such an announcement each month.

Hon. J. W. Monteith (Perth): Mr. Speaker, I would like to thank the hon. minister for having sent me an advance copy of his statement. In it he mentions that the required expenses for the next three months are retained, and also that any accrued expenses have been deducted from the initial allotment. It looks as though, on this basis, the total amount for the provinces will be somewhere around $450 million in the first year.

The minister does not point out that this first deduction undoubtedly includes a very high amount, some $2 million, which was spent during the election campaign to attempt to advertise the pension plan.

Mr. Speaker: Order, please.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, following the statement just made by the Minister of Finance (Mr. Sharp) I wish to point out to him that we have not been handed an advance copy, a privilege which was granted to members of the Conservative party.

I feel this is an appropriate occasion to urge the Prime Minister (Mr. Pearson) to ask his ministers in future, when they have motions or statements to make, to hand over a copy not only to an opposition party, but to all parties, so that all opposition parties may be on the same footing. I hope the Prime Minister will take this request into consideration and advise all his ministers accordingly.

Canada Pension Plan

Mr. Speaker, I notice that concerning the Canada pension plan, the amounts available will be invested in provincial or federal government bonds, and what strikes me is that interest of 5.29 per cent will be charged the provinces getting these amounts. I wonder if the Minister of Finance should not arrange to have these amounts available to the provinces without interest, so as not to increase the interest charges the provinces are already carrying.

I wonder if the minister could not see to it that the sums made available to public finance be used to develop the country instead of increasing provincial debts, because every month from now on, the provinces will have an additional source of indebtedness. To my mind, these amounts should serve to develop the country rather than increase the provincial debts.

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I do not intend to comment in any great detail, but I do think the Minister of Finance with his sense of fairness and good judgment should have sent each of us a copy of this statement. This would have saved the time of the house and would have been most helpful and equitable to everyone.

Whether or not it is to the best advantage of the Canadian people to have a funded pension plan of this type is irrelevant at this time, but we do appreciate that the government is making these funds available on an equitable basis to the provinces. It is interesting to note that provinces which have no direct debt, such as Alberta and British Columbia, will be able to use the funds for parity bonds or for municipal finance corporations, which will directly assist the people who are providing this money.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I offer just a brief comment. First of all I appreciate the fact that the Minister of Finance does not feel that he should take the time of the house every month to indicate the allocation of funds, but I hope he might find some way in which to lay the figures before parliament, even if he does not rise in the house to do so.

The other comment I want to make is that in our view and in the view of parliament generally, the purpose of the Canada pension plan is to pay pensions to the contributors to the plan. I hope, therefore, the minister will not pay too much attention to suggestions that are made which would have the effect of cutting down the funds available. We are glad the Canada pension plan is a going concern, and we hope the government will soon match it with improvements in the old age security pension as well.

[Mr. Grégoire.]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

RECOGNITION OF CHINESE GOVERNMENTS

Question No. 14—**Mr. Allard:**

1. Has Canada recognized the Chinese nationalist government of Formosa and, if so, when and how did this recognition take place?

2. What other countries have recognized the said government to this date?

3. Does Canada regard the government of Formosa as a *de facto* government or as a *de jure* government?

4. Does Canada regard Formosa as a state, or simply as a government, or as both?

5. Without recognizing at present the communist government of Peking, does Canada continue to recognize the continental Chinese state?

6. What countries have recognized communist China since 1949 and what are the dates of recognition?

[*Translation*]

Hon. Paul Martin (Secretary of State for External Affairs): 1. Canada recognized the Government of the Republic of China as the *de jure* government of China on December 20, 1928. On that date, the United Kingdom minister in China, with the authorization of the Canadian Government, undertook an exchange of notes with the Chinese National Government which had the effect of renouncing the rights of Canada to benefit by the provisions of existing treaties limiting the right of China to settle her national customs tariff or to impose tonnage dues. It was the express intention of the then Canadian Government that this exchange of notes constitute recognition by Canada of the Government of the Republic of China. A Canadian Legation, later raised to the status of an Embassy, was opened in China in 1942, but closed after the National Government left the mainland to establish itself on Formosa in 1949. The Canadian Government continues to recognize the Government of the Republic of China at its present seat of government.

2. The Canadian Government does not consider that it ought to comment on the nature of relations existing between other governments. The following is a list drawn up from various public sources, of countries

which, so far as we know, recognize the Government of the Republic of China:

Argentina, Australia, Belgium, Bolivia, Brazil, Cameroon, Canada, Chad, Gabon, Greece, Guatemala, Haiti, Honduras, Iran, Italy, Ivory Coast, Jamaica, Japan, Jordan, Republic of Korea, Lebanon, Liberia, Libya, Luxembourg, Malagasy Republic, Malta, Mexico, New Zealand, Nicaragua, Niger, Chile, Colombia, Congo (Leopoldville), Costa Rica, Cyprus, Dominican Republic, Ecuador, El Salvador, Panama, Paraguay, Peru, Philippines, Portugal, Rwanda, Saudi Arabia, Sierra Leone, Spain, South Africa, Thailand, Togo, Turkey, United States of America, Upper Volta, Uruguay, Venezuela, Republic of Vietnam, Kuwait.

3. See reply to question 1.

4. Canada regards the island of Taiwan (Formosa) as the present seat of government of the Republic of China.

5. See reply to question 1.

6. The Canadian Government does not consider that it ought to comment on the nature of relations existing between other governments. The following is a list drawn up from various public sources of countries which, so far as we know, have recognized Communist China since 1949:

Country	Date of Recognition
Afghanistan	January 1950
Albania	November 1949
Algeria	July 1962
Bulgaria	October 1949
Burma	June 1950
Burundi	January 1964 (Diplomatic relations suspended)
Cambodia	July 1958
Central African Republic	September 1964 (Diplomatic relations suspended)
Ceylon	January 1950
Congo (Brazzaville)	February 1964
Cuba	September 1960
Czechoslovakia	October 1949
Dahomey	November 1964 (Diplomatic relations suspended)
Denmark	January 1950
Finland	January 1950
France	January 1964
Ghana	July 1960
Guinea	October 1959
Hungary	October 1949
India	December 1949
Indonesia	April 1950
Iraq	July 1958
Israel	Not known
Kenya	December 1963
Laos	June 1962
Mali	October 1960
Mauritania	July 1965
Mongolia	October 1949
Morocco	October 1958
Nepal	August 1955
Netherlands	March 1950
North Korea	October 1949
North Vietnam	January 1950
Norway	January 1950
Pakistan	January 1950
Poland	October 1949
Roumania	October 1949
Senegal	Not known
Somalia	December 1960
Sudan	December 1958
Sweden	January 1950
Switzerland	January 1950
Syria	August 1956
Tanzania	December 1961
Tunisia	January 1964
Uganda	October 1962
United Arab Republic	May 1956
United Kingdom	January 1950
U.S.S.R.	October 1949
Yemen	August 1956
Yugoslavia	October 1949
Zambia	October 1964

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[*English*]

BRIDGE OVER SAINT JOHN RIVER—FEDERAL COMMITMENT

Question No. 59—**Mr. MacRae:**

1. Have any financial commitments been made by the government of Canada to the province of New Brunswick in connection with the building of a bridge spanning the Saint John river at Maugerville and Burton, Sunbury county?

2. If such commitment was made, when was it made?

3. If such a commitment was made, what is the amount of the financial commitment?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by several departments as follows:

1. No.

2 and 3. Not applicable.

Questions

GRANT TO PEACE RESEARCH ABSTRACTS

Question No. 72—**Mr. Howe (Hamilton South):**

Has the government received representations concerning a grant to Peace Research Abstracts and, if so, what response has been made to such representations?

Hon. Paul Martin (Secretary of State for External Affairs): The government received a request from the Canadian Peace Research Institute on October 8, 1965 for a grant of $35,024 to assist the work of Peace Research Abstracts in the year 1966. I replied on January 24 as follows:

The government is sympathetic to the objectives of the CPRI and regards the Peace Research Abstracts as a constructive and useful publication. We have also been happy to note the decision by UNESCO to grant assistance for the publication of the Abstracts. We also believe, however, that projects of this kind are best supported by private means or, if they qualify, by the Canada Council, which as you know does make grants available to scholars or organizations concerned with the social sciences. The fact is that the Department of External Affairs does not subsidize research or publications in this field, although we do help the United Nations Association of Canada because it performs tasks which are directly related to publicizing the objectives of the United Nations and Canada's part therein. You will, I am sure, appreciate that a grant for the publication of Peace Research Abstracts would be likely to attract requests for the support of similar projects by other institutions or individuals. There is no legislation or machinery which would enable us to evaluate such requests and to reach sensible decisions on them. I do not rule out the possibility that this situation may change. I am aware for example that the governments of Norway and Sweden have approached this matter differently. For the present, however, and for the reasons given I regret not being able to respond favourably to your request. Please be assured that we shall continue to be glad to extend informal assistance and advice to the CPRI whenever you consider this useful or appropriate.

POSTAGE STAMP DEPOTS, WESTERN PROVINCES

Question No. 98—**Mr. More:**

1. As of December 31, 1965 (a) how many postage stamp depots were being operated in the provinces of Alberta, Manitoba and Saskatchewan (b) what are their locations (c) when were they established (d) what is the floor space occupied by each (e) when did they occupy their present quarters (f) what is the staff at each depot (g) what is the value of postage supplies sent by each depot to its dependent offices for sale during the fiscal year ending March 31, 1965 (h) what is the combined cost of staff salaries and cost of space assessed against the Post Office Department by the Department of Public Works (i) how many offices did each depot serve?

2. Since the elimination of the Regina depot on April 1, 1965, what savings have been effected in (a) staff (b) accommodation (c) correspondence and telephone calls (d) transportation (e) general management?

[Miss LaMarsh.]

Hon. Jean-Pierre Côté (Postmaster General): 1. (a) Four. (b) Calgary, Edmonton, Winnipeg and Saskatoon. (c) Calgary, April 1, 1934; Edmonton, April 1, 1934; Winnipeg, April 1, 1934; Saskatoon, October 1, 1934. (d) Calgary, 1,135 sq. ft.; Edmonton, 2,400 sq. ft.; Winnipeg, 3,350 sq. ft.; Saskatoon, 1,600 sq. ft. (e) Calgary, May 8, 1961; Edmonton, April 1, 1934; Winnipeg, May 31, 1958; Saskatoon, September 2, 1961. (f) Calgary, 8; Edmonton, 7; Winnipeg, 11; Saskatoon, 10.

(g)

Depot	Amount
Calgary	$4,410,189.51
Edmonton	$4,551,617.43
Winnipeg	$6,257,117.60
Saskatoon	$2,594,736.97

(h) The combined cost of staff salaries, which are based on new salary range as of 1st October, 1965, and the cost of space assessed against the Post Office Department by the Department of Public Works is: Calgary, $36,305; Edmonton, $36,148; Winnipeg, $56,003; Saskatoon, $45,254.

(i)

Depot	Number of offices served
Calgary	711
Edmonton	698
Winnipeg	912
Saskatoon	879

2. (a) None.

(b) Although this department does not actually pay rental for space supplied by the Department of Public Works, based on the revised rate of $3.40 per square foot for 1965, the reduction in assessment by the Department of Public Works would be $2,805 from the 31st March 1965 (when the space was returned to that department) until the 31st December 1965.

(c) It is not possible to assess the savings effected in telephone calls or correspondence as no records are available as to the number and cost of telephone calls between the Calgary and Saskatoon district office headquarters and the Regina postage stamp depot when it was in operation. There was, however, an exchange of both telephone calls and correspondence which is no longer required because of the consolidation of the stamp depot activities.

(d) It is not possible to assess a dollar saving in transportation costs as post office operating supplies are transmitted through the mails free of charge in accordance with Section 19 (2) of the Post Office Act.

(e) It is difficult to assess an economic saving pertaining to general management. However, the consolidation of postage supplies has resulted in an improvement of administrative procedures and provides improved control.

POSTAL STORES DEPOTS, WESTERN PROVINCES

Question No. 99—**Mr. More:**

1. As of December 31, 1965 (a) how many postal stores depots were being operated in the provinces of Alberta, Manitoba and Saskatchewan (b) what are their locations (c) when were they established (d) what is the floor space occupied by each (e) when did they occupy their present quarters (f) what is the staff at each depot (g) what was the total operating cost of each depot for their last annual accounting period (h) how many offices did each depot service?

2. As a result of the closing of Regina depot on February 13, 1965, and the Calgary depot on February 28, 1965, what economies have been effected in (a) staff (b) accommodation (c) maintenance and control of inventories (d) transportation (e) general management?

Hon. Jean-Pierre Côté (Postmaster General): 1. (a) 2; (b) Winnipeg and Edmonton; (c) Around the end of world war I; (d) Winnipeg 5,236 sq. ft.—Edmonton 7,200 sq. ft.; (e) Winnipeg 1958—Edmonton, around the end of world war I; (f) Winnipeg 7 positions—Edmonton 5 positions; (g) Winnipeg $40,962—Edmonton $38,502 (these figures include staff salaries and the cost of space as assessed by the Department of Public Works); (h) Winnipeg 1991—Edmonton 1174.

2. (a) 1 position; (b) 8,880 sq. ft.; (c) and (e) The maintenance and control of inventories and the general management of the departmental stores system is centralized in Ottawa, and it is not possible to isolate specific economies within these functions which may be attributed to the closure of postal stores depots. Since the total number of postal stores depots in Canada was reduced from 11 to 8, some economies were effected, but within these functions the main benefits derived were in the area of greater efficiency rather than actual economies; (d) One of the principal objectives of the rearrangement of areas served from postal stores depots was to reduce the amount of transportation of supplies involved by eliminating, to the greatest extent possible, the backtracking of supplies from postal stores depots. No dollar savings in transportation costs are available since costs of transportation of supplies are not maintained, as post office operating supplies are transmitted through the mails free of postage in accordance with Section 19(2) of the Post Office Act.

ROY WOOLAM—EMPLOYMENT BY B AND B COMMISSION

Question No. 119—**Mr. Ormiston:**

1. Has Mr. Roy Woolam been employed by the Royal Commission on Bilingualism and Biculturalism?

2. If so, what were his detailed terms of reference?

3. What remuneration has he received from the government of Canada for services rendered to the Royal Commission on Bilingualism and Biculturalism?

4. What was the nature of his employment immediately prior to joining the Royal Commission on Bilingualism and Biculturalism?

5. What are his qualifications in respect of his duties with the Royal Commission on Bilingualism and Biculturalism?

6. Did Mr. Woolam undertake surveys or studies on behalf of the Royal Commission on Bilingualism and Biculturalism in the province of New Brunswick and in St. Boniface, Manitoba?

7. Is Mr. Woolam bilingual?

8. Was Mr. Woolam recommended to the Royal Commission on Bilingualism and Biculturalism and, if so, by whom?

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): I am informed by the Royal Commission on Bilingualism and Biculturalism as follows:

1. No. The royal commission has contracts with Group Resources Consultant Services Limited, Calgary, Alta. Mr. Roy Woolam is managing director of this company.

2. See answer to part 1. The company referred to contracted to investigate the following matters: (a) In a pilot study by interviews of officers of the departments of education and of French Canadian education leaders in western provinces to obtain a broad impression of the school system in French language communities, with special emphasis on the use of French and the extent to which it is unofficially used as a language of instruction. (b) "A study of attitude patterns of selected ethnic groups as represented by (12) schools in four western provinces with special reference to the role of the school in preparing young people for adult careers and in expressing the cultural values of the several groups". This study was carried out in St. Boniface, Winnipeg, St. Malo and Gretna, Manitoba; Gravelbourg, Saskatchewan; Thorhild, Legal and Red Deer,

Alberta; Port Coquitlam, B.C. (c) "The attitudes of selected Acadian communities in New Brunswick toward the provincial education system." This study was carried out in Sussex, Moncton, Bathurst and Allardville, N.B. (d) "The ethnic participation and influences in local government in the Maillardville-Coquitlam community of British Columbia."

3. None. Any payments to Mr. Woolam would be made by Group Resources Consultant Services Limited.

4. Not applicable. See answer to Part I.

5. Not applicable. See answer to Part I.

6. See answer to Part 2.

7. No, but the Group Resources Consultant Services Limited advise that 15 of the 25 interviewers employed by the Group Resources Consultant Services Limited for royal commission contracts were bilingual.

8. The Group Resources Consultant Services Limited was recommended to the commission by its research officers, after receiving information as to the group's capacity to perform the work assigned. The decisions concerning research contracts were made after a pilot study had been carried out by the Group Resources Consultant Services.

FEDERAL CONTRIBUTION TO SHIPYARD, MARYSTOWN, NEWFOUNDLAND

Question No. 238—**Mr. MacEwan:**

1. Is or will the government be contributing financially to the construction of the shipyard at Marystown, Newfoundland?

2. If so, what will be the amount of the federal contribution and under what authority will the contribution be made?

Hon. C. M. Drury (Minister of Industry): 1 and 2. No request for assistance in the construction of the shipyard at Marystown, Newfoundland, has been received by the Department of Industry.

RESTORATION OF WOLFE'S MONUMENT

Question No. 363—**Mr. Dinsdale:**

1. Was Wolfe's monument in Quebec city, following its dynamiting by separatist elements, restored to its original form?

2. If not, what alterations were made, for what reason were they made, and who authorized the changes?

3. Was there any earlier restoration of the monument and, if so, was the original motif maintained?

4. From what sources were the funds raised for (a) the original monument (b) any succeeding restorations?

[Mr. Matheson.]

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. I am informed by the National Battlefields Commission as follows: Yes, the same form as its immediate predecessor; however, this monument was apparently toppled by a truck using a cable strung around column's centre.

2. N/A.

3. Yes, five monuments were built. The first monument, a large stone, was erected in 1759; the second in 1832, the third in 1849, the fourth in 1913 and the present monument in July, 1965. The present monument reproduces the third monument.

4. (a) By the British Army stationed in Canada; (b) In 1832 and 1849 by the British Army stationed in Canada; in 1913 and 1965 by the National Battlefields Commission.

EMPLOYMENT OFFICER TESTS

Question No. 383—**Mr. Orlikow:**

1. Were members of the staff of the National Employment Service who were engaged in interviewing, counselling, or placement work in local offices, or permanent staff in supervisory positions at local, regional and head offices required, during 1965, to write a test to become eligible to enter a new employment service officer classification?

2. If so (a) what was the nature of the test (b) what knowledge on the candidates' part was the test designed to judge (c) on what date did the test take place (d) how many persons wrote the test, how many members of the N.E.S. other than clerical staff wrote it, how many persons who were qualified for entry to the new class took the test, and how many in each of these mentioned categories failed the test (e) was the test seen previous to being taken by any member of the staff of the N.E.S. or the Department of Labour (f) was the test authorized by either written or oral instruction, by the Treasury Board, the Civil Service Commission, or the Department of Labour and, if so, who was the author and who the recipient of such authorization (g) if any employees of the N.E.S. are reclassified because of this test, in what way will their duties differ from those performed by the present or former classes of employment officer, employment and claims officer, employment and insurance officer, and unemployment insurance officer?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): 1. Yes, if they applied for the new class series.

2. (a) It was an intelligence test. (b) The test was designed to assess the extent to which the applicants have the intellectual ability normally possessed by persons capable of achieving university standing. (c) The test took place on 11 December, 1965. (d) 3,062 N.E.S. employees wrote the test, of which

number 2,481 were other than clerical staff. All employees of the N.E.S. were eligible to apply for the class. It will not be known how many are qualified for entry to the new class until each person's qualifications and past and potential performance have been evaluated by an appraisal board. The test was an instrument to aid in the over-all evaluation of applicants. (e) No. (f) The use of the test was authorized by the Civil Service Commission as an integral part of the Civil Service Commissions's class standards for all entrants to the new employment service officer class series, and the Department of Labour was the recipient of this authorization. The Civil Service Commission established and administered the test. (g) The duties of the new class series are at a professional level, with corresponding salaries, and the qualifications required are at a university level. The appraisal process is designed to give an opportunity for entry to the new class series to existing N.E.S. staff who would otherwise be excluded because of the test of academic standing and qualifications which attaches to the series.

NATIONAL EMPLOYMENT COMMITTEE RESOLUTIONS

Question No. 386—**Mr. Orlikow:**

1. Did the national employment committee, during its meeting in 1965, pass a resolution (or resolutions) protesting the written test given to permanent staff members of the National Employment Service?

2. If so (a) to whom were these resolutions addressed (b) were these resolutions actually received by the then Minister of Labour or any officer of his department, and (c) what were the aforementioned resolutions and what action was taken on them?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): 1. At its 91st meeting, on August 31 and September 1, 1965, the national employment committee passed one resolution respecting personnel matters of the national employment service, including the written test.

2. (a) The resolution was addressed to Hon. Allan J. MacEachen, then Minister of Labour. (b) Yes. (c) The resolution was as follows:

That the national employment committee is pleased to learn of the substantial upward revision of salary rates for employment officers as a result of the introduction of a new series of employment service officer, and the upgrading of the basic qualifications of applicants for such positions. The committee also welcomes the decision to establish 948 new positions in the National Employment Service. It is felt that these changes should greatly improve the quality of the staff generally, and the efficiency of the National Employment Service. The committee notes with concern the fact that the filling of vacant position has been frozen pending the development of a test and appraisal program, and urges that a decision in this matter be arrived at as quickly as possible, so that the already excessive number of vacancies will not result in a serious impairment of the service. The national employment committee also notes the intention of the Civil Service Commission to require present NES staff to pass a written test in order to gain access to the new series. This procedure, we understand, is causing considerable unrest among the employees and it is the view of the national employment committee that the stipulation with respect to the written tests of present employees should be considered and that the appraisal program for entry into the new series be administered so that decisions affecting present employees will be based upon their performance in the National Employment Service. The national employment committee is strongly of the opinion that the National Employment Service should be represented on the body responsible for appraisal of present staff.

Following consideration of the resolution, the Minister of Labour informed the Chairman of the national employment committee that an objective test was necessary because previous experience had clearly indicated that it was not sufficient, in introducing a major personnel change such as the employment service officer series, to rely solely on appraisal of past performance. The chairman was subsequently informed of the precise role of the written test as an aid in the evaluation of candidates, and also informed that all the appraisal boards responsible for these evaluations would include representation from the NES.

V.L.A. LAND PURCHASES, P.E.I.

Question No. 417—**Mr. MacDonald (Prince):**

Did the government of Canada recently purchase land in Prince county for use under the Veterans Land Act and, if so (a) how many acres have been purchased (b) what price was paid per acre (c) were public tenders called for this purchase (d) who was the land purchased from (e) what is the name of the attorney who did the legal work for this purchase (f) what fee was paid to this attorney (g) is the attorney a shareholder in the company which sold the land to V.L.A. (h) how far is this land from the nearest school or shopping centre (i) was any attempt made to acquire land nearer to a school and shopping centre (j) has any land been resold since this purchase (k) is there an option for additional land and what is the length of the option time (l) how much land is under option (m) what will be the price per acre as stated under the option (n) has any land been purchased in Summerside, Charlottetown, or any other village under the Veterans Land Act (o) is it the policy of the Department of Veterans Affairs to purchase land without calling public tenders (p) did V.L.A.

relieve the previous owner of such land of a tax agreement with the village of St. Eleanors (q) has a tax agreement been made by V.L.A. with the village of St. Eleanors (h) how was the evaluation arrived at for the purchase price of this land and is this the same land that was offered for sale to the Department of National Defence for the construction of 275 houses in connection with RCAF station in Summerside, in 1963?

Hon. Roger Teillet (Minister of Veterans Affairs): Yes. (a) 6.7 acres subdivided and served with sewer and water. (b) $2,164.20 per acre. (c) No. (d) M.C.L. Development Corporation, Summerside, P.E.I. (e) G. Bruce MacDonald, LL.B. (f) Fee not yet paid. Estimated fee $145. (g) No. (h) Elementary school .75 mile, region high school 2.9 miles, vocational school 2.6 miles, transportation to each school by school bus; post office and store .75 mile; shopping centre 1.7 miles. (i) Other land was considered. (j) No. (k) No. Vendors have submitted offers on two other parcels, one offer expiring September 1, 1966 and the other December 31, 1966. (l) None. Vendors' offers relate to 9.3 acres partially serviced and 10 acres not subdivided or serviced. (m) Based on vendors' offers $1,345.16 and $1,000 per acre. (n) Yes. Since April 1965, 48 parcels have been purchased on Prince Edward Island for veterans under the Veterans' Land Act. (o) The director follows the usual practice of purchase by negotiation. (p) The vendor is required to pay taxes to the date of purchase. (q) VLA will be subject to the usual tax assessment on the same basis as any other ratepayer in the village of St. Eleanor's (r) The value of the land was arrived at by the appraisal methods used by the Veterans' Land Administration and the Appraisal Institute of Canada. Suitability for VLA purposes, location, topography, installed services and roads, sale prices of comparable parcels, are among the factors considered.

On May 17, 1963, Laurie Coles and Associates acting on behalf of M.C.L. Development Corporation advised Central Mortgage and Housing Corporation it had land for sale at St. Eleanor's P.E.I. No price was mentioned and no negotiations were carried out by Central Mortgage and Housing Corporation.

FRENCH SPEAKING FILM BOARD EMPLOYEES, MARITIME PROVINCES

Question No. 446—**Mr. Fairweather:**

1. Is the Secretary of State aware of the protest of the Acadian Education Association that there are no French speaking employees of the National Film Board in the maritime provinces?

[Mr. MacDonald (Prince).]

2. If so, what steps will the Secretary of State take to ensure that this situation is remedied at once?

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

2. I have discussed this matter with the National Film Board and wish to report as follows: The board has had for many years two French speaking field representatives in New Brunswick. Their positions became vacant, the Moncton position on January 1, 1966 and the northern New Brunswick one in May, 1965. Recruitment has now been completed and appointments will be announced shortly.

I would like to add that the National Film Board will conduct its activities with regard to the French speaking population of the Atlantic provinces from Moncton, establishing there a central film library and distribution system particularly aimed at the French speaking population. The officer will be designated as co-ordinator of French distribution and his level will be that of assistant regional supervisor.

TENDERS FOR DESTROYER ESCORTS

Question No. 455—**Mr. MacEwan:**

1. When will tenders be called for four new destroyer escorts for the Royal Canadian Navy?

2. Will tenders be called on a national or regional basis?

Hon. C. M. Drury (Minister of Industry): 1. Present plans are to request bids for the four Royal Canadian Navy helicopter destroyers during the first quarter of 1967.

2. It is planned to call tenders on a national basis in accordance with the shipbuilding procurement policy announced by the government on July 19th, 1965.

ASSISTANCE FOR MENTALLY RETARDED TRAINING CENTRES

Question No. 507—**Mr. Howe (Hamilton South):**

Has the government received representations from the Ontario Association for the Mentally Retarded, requesting greater federal aid and support for adult training centres and, if so, what action is proposed, and what reply has been made?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): Yes, the government received a letter from the Ontario association for the mentally retarded in which they requested information about additional financial support that the government might make available to adult

training centres for mentallly retarded in co-operation with the provinces. The letter was acknowledged and received essentially the same reply as I gave in the house recently, that the government is giving consideration to various ways by which additional assistance may be provided for rehabilitation of the mentally and physically disabled.

POWER GRID BETWEEN MARITIMES AND NEW ENGLAND STATES

Question No. 519—**Mr. Coates:**

1. Have any negotiations been carried out by the federal government, or any of its agencies, with the government of the United States, or any of its agencies, related to the development of a power grid between the maritime provinces and the New England states of the United States?

2. If such negotiations have been carried out, what is the state of these negotiations at the present time?

Hon. Paul Martin (Secretary of State for External Affairs): 1. No. In an exchange of notes dated December 18, 1965 between myself and the United States ambassador in Ottawa providing for the opening of negotiations on the co-operative development of the Saint John river, it was agreed that the Governments of Canada and the United States would continue their studies of the benefits of interconnected operation of the power systems of New England and the maritime power pool. A copy of this exchange of notes was tabled in the house on February 9.

2. Answered by (1).

*CYPRUS—ROTATION OF CANADIAN TROOPS

Question No. 526—**Mr. MacEwan:**

1. Will Canada continue to supply troops for the United Nations peace keeping operation in Cyprus beyond March 26, 1966?

2. If so, when will rotation of the present troops be carried out?

3. What units will replace the present units there, namely, the 2nd battalion Canadian Guards and the RECCE squadron of the Royal Canadian Dragoons?

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the answer to this question is as follows:

1. The security council of the United Nations on December 17 extended the mandate of the United Nations force in Cyprus for a period of three months ending March 26, 1966. It is expected that the security council will meet before that date to consider whether to extend the force for a further period. If the security council should decide to do so and if the Secretary General of the United Nations requests Canada to continue its participation in the force the government will take a decision on such a request in the light of all the circumstances existing at that time.

2. If the security council should extend the force after March 26 and the government should decide to continue Canadian participation in the force, the rotation of Canadian troops would be expected to take place between April 2 and April 16, when the contingent at present on Cyprus would be due to return to Canada.

3. If the force should continue to exist after March 26 and the government should decide to continue to contribute a Canadian contingent similar in size and composition to the present one, the second battalion, Canadian Guards, would be replaced by the second battalion, the Black Watch (Royal Highland Regiment) of Canada and the reconnaissance squadron, Royal Canadian Dragoons by B reconnaissance squadron, 8th Canadian Hussars.

WINTER CONSTRUCTION BONUS FOR HOME EXTENSION

Question No. 580—**Mr. Lefebvre:**

1. Will the government study the possibility of granting the winter home construction bonus of $500 to home owners who extend their homes, bearing in mind that only one bonus will be paid per home?

2. Has a study been made by the government to consider the effect of granting such bonus to small home owners who wish to enlarge their homes and, if so, what is the result of any such study?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): 1. Yes. The feasibility of providing a financial incentive for home improvements including extensions to existing homes when carried out during the winter months is a matter which has been receiving continuous consideration and will receive further study.

2. Yes, as indicated in the reply to No. 1. A considerable portion of home improvements cover indoor work which involve no additional costs by reason of winter construction. Consequently the need for a financial incentive requires careful consideration. Under the

winter employment campaign home owners are encouraged to carry out home improvement projects during the winter through the use of home improvement loans. These efforts have been successful in shifting a large volume of home improvements from the summer to winter.

CABINET MEETINGS, NOVEMBER-DECEMBER 1965

Question No. 588—**Mr. Korchinski:**

How many cabinet meetings were held each week commencing November 14, 1965, to December 18, 1965?

Right Hon. L. B. Pearson (Prime Minister): The arrangements made for meetings of the cabinet for the discharge of the business for which it is collectively responsible are not customarily disclosed.

POST OFFICE CONSTRUCTION, DARTMOUTH AND UPPER MUSQUODOBOIT, N.S.

Question No. 608—**Mr. Forrestall:**

1. Has the government under consideration the expansion of the present post office in the city of Dartmouth?

2. Has the government considered the matter of a new post office to serve Upper Musquodoboit and, if so, what decision has been reached?

Hon. Jean-Pierre Côté (Postmaster General): 1. At this time the Post Office Department has no plans for expanding the post office at Dartmouth, N.S., although a complete review of postal facilities is being undertaken.

2. The post office at Upper Musquodoboit, N.S. is in the category of offices where the postmaster is normally responsible for the provision of suitable accommodation as a condition of employment. There are no plans for the construction of a post office building as this location is not in an area designated by the Department of Labour as one of high winter unemployment.

TOBACCO RESEARCH

Question No. 611—**Mr. Honey:**

1. What steps, if any, have been taken to establish and develop a program of market research for the Canadian tobacco industry as recommended by the standing committee on agriculture and colonization in its report dated August 12, 1964?

[Mr. Mackasey.]

2. What amounts have been spent for tobacco production research in Canada in each of the years 1955 to 1965, inclusive?

3. What steps, if any, have been taken in the field of research directed to the development of a milder cigar tobacco and a more acceptable pipe tobacco as recommended by the standing committee on agriculture and colonization in its report dated August 12, 1964?

4. Are there any vacanies at the present time in the establishment of the experimental farm at L'Assomption, Quebec, and, if so, which positions are now vacant?

5. Have any steps been taken to establish a research advisory committee as recommended by the standing committee on agriculture and colonization in its report dated August 12, 1964?

6. What enlargements or improvements, if any, have been made to the tobacco experimental station at Delhi, Ontario, in the years 1964, 1965, and 1966, what was the cost of any such enlargement or improvement and what further enlargements or improvements, if any, are planned for the said tobacco experimental station?

Hon. J. J. Greene (Minister of Agriculture): 1. There are no formal market research studies relating to the Canadian tobacco industry under way in the Canada Department of Agriculture, but a continuing watch is maintained on developments in this industry and departmental situation and outlook reports dealing with production, price and marketing developments in the tobacco industry in Canada and foreign markets are prepared and published regularly.

The Department of Trade and Commerce collects and disseminates information on world tobacco production, consumption, export and import trade to serve the tobacco industry in the development of export trade. The department maintains close contact with all segments of the tobacco industry, particularly the growers organizations and the tobacco exporting companies. In connection with export promotion and market research the Department of Trade and Commerce has also participated in the formation of an industry wide group to be known as the Canadian tobacco export council and has agreed to supply all of the tobacco marketing information which may be required by this industry group as it becomes actively involved in export promotion. The department appointed in January 1965 a commodity officer who is exclusively responsible for serving the needs of the tobacco industry in relation to export market research and trade promotion.

2. Cost of tobacco production research

1954-55	$ 285,027
1955-56	355,129
1956-57	324,112
1957-58	372,336
1958-59	362,373
1959-60	360,448
1960-61	403,368
1961-62	477,385
1962-63	473,421
1963-64	447,051
1964-65	575,414
1965-66 (estimate)	490,033
	$4,926,097

3. For many years, research at L'Assomption, Quebec, has been directed toward the development of varieties of cigar filler tobacco possessing milder smoking qualities. A new variety, named Ottawa 705, was released to Quebec growers in 1965. A plant breeder was added to L'Assomption staff in 1964 to increase the effort in breeding milder cigar tobaccos. A chemist was added to L'Assomption in 1965 to assist in this work.

Research at L'Assomption has also brought forth new cultural methods which are of great importance in producing mild cigar leaf. The new recommendations were released to growers in 1964.

The recommendation on pipe tobacco, made by the standing committee on agriculture and colonization, was considered carefully. Since the qualities of pipe mxitures depend greatly upon processes developed by manufacturers, and since burley and flue-cured tobaccos are used in varying quantities in pipe mixtures, in addition to pipe tobaccos, and since acreage planted to varieties designated as pipe tobacco is very small in Canada and not likely to be increased, it was not considered practical to devote additional effort to developing pipe tobacco varieties at the expense of the flue cured, burley and cigar types. If better pipe tobaccos are to be made from Canadian tobacco, it is a manufacturing problem and not necessarily a research problem at the agricultural production level. As stated in the report of the Standing Committee, research in the manufacturing field is chiefly the responsibility of the companies concerned.

4. There are no vacancies in professional staff at the experimental farm, L'Assomption, Quebec at present.

5. Yes. Preliminary discussions have been held. The subject will be further reviewed at the next meeting of the research section of the Canadian agricultural services co-ordinating committee in April 1966.

6. Improvements to the experimental farm at Delhi are as follows:

1964-65—Site development survey	$ 655
Extension of chemical laboratory	5,503
Purchase of land	75,000
1965-66—Converted cottage to entomological laboratory	$ 4,000
Fit up laboratory in office building	4,350
Air conditioning greenhouse	1,600
Underground irrigation line	6,888
Fencing	500
Projected but not begun:	
Flue chamber building	$110,000
Air conditioning—physical laboratory	8,000
Headerhouse	600,000
Greenhouse	100,000

POST OFFICE CONSTRUCTION

Question No. 623—**Mr. Webb:**

1. How many post offices have been constructed, or construction started, in the years 1963, 1964 and 1965?

2. What is the number of post offices constructed, or construction started, in these years in each province?

Hon. G. J. McIlraith (Minister of Public Works): 1. 526.

2.

Province	1963	1964	1965
Newfoundland	0	53	31
Prince Edward Island	0	10	3
Nova Scotia	3	29	42
New Brunswick	0	37	11
Quebec	11	69	86
Ontario	17	31	29
Manitoba	1	9	3
Saskatchewan	9	10	5
Alberta	6	4	4
British Columbia	3	4	4
Yukon & N.W.T.	0	1	1
	50	257	219

Questions

AMHERST, N.S., POST OFFICE

Question No. 624—**Mr. Coates:**

1. How much additional space will be provided with the proposed enlargement of the Amherst post office?

2. Will public tenders be called to carry out the improvements and, if so, when will these tenders be called and how long will the proposed enlargement take?

3. Does the plan contain an improved method of entrance for patrons of the post office?

Hon. G. J. McIlraith (Minister of Public Works): 1. Approximately 1200 square feet net.

2. Yes, during the 1967-68 fiscal year. The period of enlargement is not yet known.

3. The plans have not yet been completed.

HOUSE TO HOUSE MAIL DELIVERY, SPRINGHILL, N.S.

Question No. 625—**Mr. Coates:**

1. Does the town of Springhill qualify for house to house mail delivery and, if not, for what reason?

2. How many towns have been selected for this type of delivery in the past six months and what is the population of each town selected?

Hon. Jean-Pierre Côté (Postmaster General): 1. The town of Springhill N.S., does not qualify for house to house mail delivery because it does not have the 2,000 available points of call required for the establishment of this type of postal service.

2. Letter carrier delivery service has been established in 3 communities during the past 6 months. Nineteen additional communities at which this type of delivery has been authorized will receive service when 80% of the homes are equipped with the necessary mail receiving facilities. The Post Office Department does not maintain population figures for the communities involved since the establishment of letter carrier delivery service is based on the availability of 2,000 points of call in a compact, well built-up area.

NEW VOCATIONAL SCHOOLS

Question No. 643—**Mr. Starr:**

1. How many new vocational schools or additions have been approved under the amended Technical and Vocational Training Assistance Act from June 1, 1961, to date?

2. What is the total student capacity?

3. What is the total cost of these projects?

4. What is the federal government's share of the cost?

5. How many new technical schools or additions have been approved under the amended Technical and Vocational Training Assistance Act from January 1, 1965, to date?

6. What student capacity has been added in the period January 1, 1965, to date?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): 1. 880 new vocational schools and additions have been approved April 1, 1961 to January 31, 1966.

2. 337,878 new student places have been provided under the Technical and Vocational Training Act, April 1, 1961 to January 31, 1966.

3. Total cost of approved projects, $1,054,195,238, April 1, 1961 to January 31, 1966.

4. Federal share of approved projects, $598,507,015, April 1, 1961 to January 31. 1966.

5. 228 new technical schools and additions were approved in the period January 1, 1965 to January 31, 1966.

6. 140,622 additional student places have been added in the period January 1, 1965 to January 31, 1966.

MUNICIPAL WINTER WORKS PROGRAM

Question No. 647—**Mr. Starr:**

1. How many applications under the municipal winter works program have been received during the current winter from the starting date to January 31, 1966?

2. How many were received last winter in the same period?

3. How many of the applications were accepted in that period under the (a) 1964-65 program (b) 1965-66 program?

4. What was the estimated number of men to be hired during the period to January 31 in (a) 1964-65 (b) 1965-66?

5. What was the number of participating municipalities or local authorities to January 31 in (a) 1964-65 (b) 1965-66?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): 1. 5,165.

2. 5,393.

3. (*a*) 5,254; (*b*) 5,106.

4. (*a*) 140,128; (*b*) 139,318.

5. (*a*) 2,348; (*b*) 2,290.

VETERANS AFFAIRS LAND PURCHASE, ST. ELEANORS, P.E.I.

Question No. 652—**Mr. Douglas:**

1. Has land been purchased since January 1, 1965, by or for the Department of Veterans Affairs at St. Eleanors, Prince county, Prince Edward Island?

2. How was the land purchased?

3. Who was the land purchased from?

4. How many acres of land were involved and what was the purchase price per acre?

5. What is the purpose for which this land is to be used?

6. Will any of this land be made available for purchase by veterans?

7. If so, what will be the selling price per acre?

8. How many houses have been built for veterans by or for the Department of Veterans Affairs or any of its agencies in each of the years 1961, 1962, 1963, 1964 and 1965 at St. Eleanors, Prince county, Prince Edward Island?

Hon. Roger Teillet (Minister of Veterans Affairs): 1. Yes.

2. The director follows the usual practice of purchase by negotiation.

3. M.C.L. Development Corporation, Summerside, P.E.I.

4. 6.7 acres subdivided and serviced with sewer and water at $2,164.20 per acre.

5. For assembly into thirteen half acre lots for resale to qualified veterans under the provisions of the Veterans' Land Act.

6. Yes. It will all be resold to veterans.

7. Approximately $2,165 per acre. No more than one half acre lot will be sold to a veteran. Price per serviced half acre lot will be approximately $1,100.

8. 1961, three houses; 1962, 1 house; 1963-64-65, no new house construction.

INCOME TAX EXEMPTION ON TOOL DEPRECIATION

Question No. 657—**Mr. Hamilton:**

Has the Minister of Finance received any representations for depreciation allowance as an exemption from income tax on the tools of (a) automobile mechanics (b) plumbers (c) carpenters?

Hon. Mitchell Sharp (Minister of Finance): In August 1965 the National Automotive Trades Asociation made a representation requesting that the cost of tools purchased and used by mechanics in the course of their work be deductible as an expense in computation of the personal income tax of the mechanic.

Some individuals in letters to the Minister of Finance have suggested that amounts spent for tradesmen's tools be deductible for income tax purposes.

Questions

POST OFFICE CHARGE FOR FRANKING PRIVILEGES

Question No. 658—**Mr. Webb:**

What was the post office charge for revenue purposes for the franking privileges covering parliamentary and departmental mail in the following years: 1959-60, 1961, 1962, 1963, 1964 and 1965?

Hon. Jean-Pierre Côté (Postmaster General): The Post Office Department determines the value of the franking privileges covering parliamentary and departmental mail but there is no actual payment made to the Post Office Department. The value of this service to each department is included in a list which shows the approximate value of major services not included in the estimates. The total amount is as follows:

Fiscal Year	Amount
1959-60	$6,201,000
1960-61	$5,200,000
1961-62	$5,227,000
1962-63	$5,676,000
1963-64	$5,500,000
1964-65	$6,179,000

KERWOOD, ONT., POSTMASTERS

Question No. 660—**Mr. Thomas (Middlesex West):**

What were the names of all postmasters at the Kerwood (or Kerrwood), Ontario, post office in Middlesex county, from its inception to the year 1900, with the period for which each served?

Hon. Jean-Pierre Côté (Postmaster General): The post office was established on February 1, 1861 under the name of Kerrwood. The name was changed to Kerwood in 1950.

Postmasters J. H. Thomas, February 1, 1861 to September 30, 1866; James Irving, October 1, 1866 to March 31, 1875; Charles Foster, April 1, 1875 to June 30, 1888; John C. Jury, July 1, 1888 to January 31, 1896; Jos. B. Denning, February 1, 1896 to November 22, 1898; Alfred Rogers, November 23, 1898 to January 18, 1934.

CF-100 AND SABRE JET AIRCRAFT—ORENDA ENGINES

Question No. 674—**Mr. Hales:**

1. How many CF-100 and Sabre jet aircraft were in use by the Department of National Defence as of December 31, 1965?

2. How many Orenda jet engines were left in stock for replacement purposes after the sale of the 65 engines to Crown Assets Disposal Corporation at the close of the calendar year, 1965?

Questions

Hon. Paul Hellyer (Minister of National Defence): 1. 28 and 24 respectively.

2. 346.

*EXCISE TAX ON JEWELLERY PRODUCTS

Question No. 676—**Mr. Irvine:**

1. Was representation made by the Canadian Jewellers Association on or about January 27, 1966, with regard to the special excise tax on jewellery products?

2. If so, what were the results of these representations?

3. Is consideration to be given to this association by way of part or total removal of this tax?

[*Translation*]

Mr. Jean Chrétien (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the answer to the first part of the question is yes. With regard to the second and third parts, representations asking that this tax be removed, as well as representations on a wide range of other tax subjects, are being studied during the preparation of the budget.

[*English*]

*PURCHASES FROM WHEAT BOARD BY DEALERS

Question No. 681—**Mr. Diefenbaker:**

1. How many grain merchants or dealers purchased wheat from the wheat board since the 1st day of January, 1965?

2. What are the names of such purchasers and the respective dates and amounts of such purchases?

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, question 681 is divided into two parts. One answer is provided.

The Canadian Wheat Board advises that it is not its policy to disclose the competitive position of grain companies with regard to their transactions with the board. Furthermore, to reveal the information requested would in the opinion of the board be prejudicial to its marketing operations.

CENTRE FOR PERFORMING ARTS, OTTAWA

Question No. 682—**Mr. Aiken:**

1. When is the Ottawa centre for the performing arts now expected to be completed and ready for performances?

2. What was the original estimated cost for the centre?

3. What has been the cost of the construction to date?

4. What is the current estimate as to how much this centre will finally cost in total?

[Mr. Hales.]

Hon. G. J. McIlraith (Minister of Public Works): 1. April 1969.

2. The original cost estimate was $18.2 million.

3. The cost of construction to date is $3,815,-500.

4. It is not customary to reveal estimated cost before tenders are called.

*COMMUNICATION WITH U.S. ARMY AGENCY

Question No. 689—**Mr. Fulton:**

Has the Secretary of State for External Affairs or any official of the department had any communication with any official of the government of the United States concerning any proposed activities to be carried out in Canada by, or under the direction of, the special operations research office of American University, an agency under contract to the United States Department of the Army and, if so, what was the nature of the communication?

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the answer on behalf of the minister is as follows:

I have had no communication with any official of the government of the United States about any proposed activities to be carried out in Canada by or under the direction of the special operation research office of American University, and inquiries I have had made indicate that no official of my department has at any time received any proposal concerning such activities by American University from any official of the government of the United States.

INTEGRATION OF CADET CORPS

Question No. 691—**Mr. MacRae:**

1. Is it the intention to integrate the cadet corps of the navy, army and air force?

2. If so, when is this policy expected to be implemented?

Hon. Paul Hellyer (Minister of National Defence): 1 and 2.

The Royal Canadian Sea Cadet Corps, the Royal Canadian Army Cadets and the Royal Canadian Air Cadets operate under a partnership between the Canadian forces and the civilian sponsors of the corps. The integration of the Canadian forces and the establishment of an integrated directorate of cadets at Canadian forces headquarters will probably result in some adjustments to this partnership and the whole matter is now under study.

TROIS-RIVIÈRES POST OFFICE—
HOLIDAY WORKERS

Question No. 695—**Mr. Mongrain:**

How many extra workers were hired at Trois-Rivières post office during the holiday period, for the last five years?

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General):

Year	Christmas helpers employed
1961	106
1962	110
1963	112
1964	117
1965	108

[*English*]

POST OFFICE FACILITIES, MEATH PARK, SASK.

Question No. 699—**Mr. Douglas:**

1. When was the last inspection made of the physical facilities of the post office in Meath Park, Saskatchewan?

2. Were any recommendations contained in this inspection report and, if so, what were they?

3. Have any requests been made for the construction of a new post office in Meath Park and, if so, who made the requests?

4. Is it the intention of the government to build a new post office at Meath Park?

Hon. Jean-Pierre Côté (Postmaster General): 1. September 15, 1965.

2. No.

3. Yes. On January 22nd, 1964, village of Meath Park, A. E. Semchuk, overseer, Peter J. Kyle, secretary treasurer. A request was also received on February 16th, 1966 from the council of the village of Meath Park, Peter J. Kyle, secretary treasurer.

4. No. Meath Park is in a group where it is the responsibility of the postmaster to furnish adequate and suitable accommodation. However, we are having the district director, Saskatoon, inquire into the suitability of the present quarters.

FARM MACHINERY—COST AND VALUE

Question No. 700—**Mr. Korchinski:**

1. Using the base period of 1949, what was the index of the cost of farm machinery each year to date?

2. Since 1949, what was the total value of all farm machinery sold in Canada in each year to date?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): 1. Index numbers of prices paid by farmers for farm machinery Canada—1949-1965 (1949=100): 1949, 100.0; 1950, 104.3; 1951, 118.0; 1952, 123.4; 1953, 124.3; 1954, 125.0; 1955, 125.6; 1956, 132.3; 1957, 141.4; 1958, 149.1; 1959, 156.5; 1960, 160.1; 1961, 164.7; 1962, 169.4; 1963, 172.4; 1964, 176.6; 1965, 180.0.

2. Farm implement and equipment sales (including repair parts), Canada, 1949-1964 (value at wholesale prices): 1949, $245,194,190; 1950, $248,049,154; 1951, $264,393,214; 1952, $281,509,187; 1953, $269,869,172; 1954, $174,038,491; 1955, $181,576,398; 1956, $202,592,127; 1957, $183,721,649; 1958, $205,993,039; 1959, $251,118,817; 1960, $258,777,808; 1961, $241,420,086; 1962, $282,676,676; 1963, $337,561,595; 1964, $380,132,718; 1965, $424,270,000 (estimate only).

FARM STATISTICS

Question No. 702—**Mr. Korchinski:**

1. In each year since 1949, how many farmers were there in each of the provinces of Canada?

2. In each of the years 1950, 1955, 1960 and 1965 (a) what was the average size of farms in each of the provinces (b) what was the total capitalization of each farm?

Hon. Robert Winters (Minister of Trade and Commerce): 1 and 2. Information requested is not available for the years specified. According to the censuses of Canada, data available are as follows:

The number of farmers, stockraisers, farm managers and foremen, by province, 1951 and 1961:

	1951	1961
Canada[1]	549,583	396,735
Newfoundland	2,480	858
Prince Edward Island	8,761	5,886
Nova Scotia	15,605	7,365
New Brunswick	17,826	7,214
Quebec	109,620	75,639
Ontario	134,293	97,453
Manitoba	50,203	38,884
Saskatchewan	109,373	85,632
Alberta	82,601	65,570
British Columbia	18,821	12,234

[1] excludes the Yukon and the Northwest Territories.

Questions

Average size of farm by province—1951, 1956 and 1961

	1961 Acres	1956 Acres	1951 Acres
Canada	359	303	279
Newfoundland	31	30	23
Prince Edward Island	131	113	108
Nova Scotia	178	132	135
New Brunswick	187	135	131
Quebec	148	130	125
Ontario	153	141	139
Manitoba	420	365	338
Saskatchewan	686	607	550
Alberta	645	579	527
British Columbia	226	183	178

Total farm capital, Canada and the provinces—1951 and 1961

	1961 $	1951 $
Canada	13,171,221,700	9,470,876,372
Newfoundland	23,937,400	19,656,779
Prince Edward Island	96,296,500	87,153,205
Nova Scotia	145,588,800	152,464,945
New Brunswick	145,363,000	157,778,559
Quebec	1,624,879,600	1,399,363,121
Ontario	3,741,596,000	2,547,969,618
Manitoba	1,154,087,600	916,786,792
Saskatchewan	2,864,359,300	1,991,773,250
Alberta	2,717,496,800	1,789,616,297
British Columbia	657,166,300	408,265,668

INCOME TAX DEDUCTION OF RESIDENTIAL TAXES

Question No. 707—**Mr. Irvine:**

1. Is it the intention of the government to introduce legislation to permit municipal taxes on owner-occupied residential properties as a deduction on federal income tax returns?

2. If not, is there any justification in what would appear to be double taxation?

3. If so, can this legislation be anticipated during the current session of parliament?

Hon. Mitchell Sharp (Minister of Finance): This question concerns budget policy. If the government proposes any change in the income tax law it will be announced when the budget is presented.

ARMY "CALL-OUTS" RELEASED FROM SERVICE

Question No. 709—**Mr. Irvine:**

1. Have all Canadian army "call-outs" been released from service and, if not, how many are still on strength?

[Mr. Winters.]

2. What benefits were awarded those who have been released or struck off strength?

3. What annual or other leave was granted at the time of release?

Hon. Paul Hellyer (Minister of National Defence): 1. No, as of 1 February, 1966, 253.

2. and 3. As a result of the reorganization of the militia in 1964-65, militia personnel who had been on full time employment in militia orderly rooms and quartermasters' stores were granted 30 days special leave on cessation of employment, in addition to the normal annual leave entitlement of 2½ days per month of employment. They were also given 90 days notice of cessation of employment.

RECREATION PROGRAM, P.E.I. PARK

Question No. 733—**Mr. Macquarrie:**

1. What were the reasons for the removal of the recreation hall at the Cavendish area of the P.E.I. national park?

2. To what use was it put in the 1965 season?

3. What organizations or individuals have protested this move?

4. What recreation program is to be carried out in the P.E.I. park this summer?

5. What personnel will be responsible for this program?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. The recreation hall at Cavendish in Prince Edward Island national park was erected in 1950 to provide a centre for recreation and the entertainment of park visitors. At that time, overnight camping and picnicking were permitted at Cavendish beach near the junction of Cawnpore lane and the Gulf Shore Road. Activities carried on under a recreational director included film showings, square and round dances, camp fires and sing-songs and a daytime program for children, including games.

With the development of a new campground at New London bay and the termination of camping at the Cavendish beach site, a recreation hall at that location had outlived its original purpose, and in the latter years of its operation, the evening programs were frequently interrupted by rowdyism and special policing measures were necessary. These disturbances were mainly related to the attendance of persons from points some distance from the park. Furthermore, the officer in charge of recreational programs in 1963 received requests to curtail or rearrange the

dates of dances so as to not conflict with those held by organizations located in communities adjacent to but outside the park. These included the Rustico recreational committee, New Glasgow junior farmers, and Stanley Bridge Hall committee.

Following the development of a national park interpretation and the appointment of a seasonal park naturalist, the former recreation program at Cavendish beach was discontinued. The park interpretation program is directed principally from the Dalvay region which contains the park headquarters. Activities are carried on in both the Dalvay and Cavendish areas with emphasis on attracting the park campground populations.

With the change in the park emphasis to an appreciation of the natural features of the park, and the appointment of a park naturalist to develop a new program, the recreation hall was relocated from the congested area at Cavendish beach to the new Cavendish camp ground. It seems that the recreational function that the hall served in its previous location can best be carried out by private enterprise outside the national park.

2. As a centre for the park naturalist's interpretation programs including lectures and films in inclement weather and as a focal point for the commencement of conducted trail outings.

3. The Honourable J. Watson MacNaught, Summerside, P.E.I., Mr. John C. Mullally, Souris, P.E.I., Mr. R. S. Humphreys and the Cavendish Resort Association.

4. An interpretative program is being carried out in the park this summer. Primarily educational, this program is also recreational in character. It endeavours to show and present to the public points of interest, gives facts of natural history that the public might not otherwise know about, and provides recreation, educational and informal instruction to the park visitors giving a better understanding not only of the park and its natural features but also of the purpose which the park serves. It consists of talks accompanied by films, conducted trips and a self-guiding interpretative trail.

5. The park naturalist.

DIVISION OF BUDGET EXPENDITURES

Question No. 736—**Mr. Godin:**

What is the percentage of the total Canadian budget spent on (a) family allowances (b) debt charges (c) defence production (d) national defence?

Hon. Mitchell Sharp (Minister of Finance):

	Fiscal year ended March 31, 1965 Per Cent
Total budgetary expenditure	100.0
(a) Family allowances	7.6
(b) Public debt charges	14.6
(c) Defence production (excluding non-defence expenditure)	.3
(d) National Defence	21.3

UNCLAIMED TAX DEDUCTIONS

Question No. 742—**Mr. Dionne:**

1. What was the amount of taxes deducted at the source under the Income Tax Act which Canadian tax-payers did not claim in 1963-64?

2. What is the procedure followed by the Minister of National Revenue with regard to the utilization of the amounts deducted at the source under the Income Tax Act which remain unclaimed?

Hon. E. J. Benson (Minister of National Revenue): 1. For the taxation year ending in the 1963-64 fiscal year, deductions at source from salaries and wages for taxes under the Income Tax Act and the Old Age Security Act which remain unclaimed by taxpayers amount to $45,871,907.74. This does not include deductions at source under the nine provincial income tax statutes administered by the Department of National Revenue which remain unclaimed. The amount of deductions at source remaining unclaimed for the same period in respect of these provincial statutes is $6,273,563.96.

2. Unclaimed deductions at source under the Income Tax Act and the Old Age Security Act are included in consolidated revenue. Unclaimed deductions at source under the provincial statutes are paid to the respective provinces pursuant to the tax collection agreements with these provinces.

DRAFTSMAN'S TRADES, AIR FORCE AND ARMY

Question No. 755—**Mr. Madill:**

1. Will the draftsman's trade A.E.M., R.C.A.F. disappear with the integration of the armed services?

2. Will the draftsman's trade R.E.M.E. of the army trade disappear with integration of the armed services?

3. Will civilian tradesmen be hired for this work if these trades are removed from the R.C.A.F. and army?

Questions

Hon. Paul Hellyer (Minister of National Defence): 1, 2 and 3. The functions of the air force trade of draftsman aeronautical, electrical and mechanical, and the Army trade of draftsman electrical and mechanical (RCEME) will continue to be a requirement in the Canadian forces.

Studies are being conducted to determine whether these duties should be performed by service personnel and whether to have a single unified trade called draftsman. Within this trade, men would be specialized in specific fields of aeronautical or electrical and mechanical drafting.

TAX EXEMPTION OF MUNICIPAL COUNCILLORS

Question No. 768—**Mr. Saltsman:**

1. Has the Minister of National Revenue received representations from the Ontario municipal association requesting increased tax exemption on remuneration paid to municipal councillors?

2. If so, what action is contemplated by the minister with respect to this request?

Hon. E. J. Benson (Minister of National Revenue): 1. Yes.

2. It has been referred to the honourable the Minister of Finance for consideration in the course of preparing for the budget.

GOVERNMENT ANNUITIES BRANCH

Question No. 784—**Mr. McCutcheon:**

1. What dollar volume of new business was placed on the books by the government annuities branch in 1960, 1961, 1962, 1963, 1964 and 1965?

2. What is the annual cost to taxpayers for operation of this branch in the years mentioned?

3. How many persons in Canada are receiving annuity payments from the government annuities branch?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour):

1.

Fiscal Year	Value at Maturity of annuity
1960-61	$177,134,000
1961-62	140,151,000
1962-63	89,413,000
1963-64	67,160,000
1964-65	58,846,000
1965-66	56,580,000 (estimated)

[Mr. Madill.]

2.

Fiscal Year	
1960-61	$ 1,161,924
1961-62	1,191,114
1962-63	1,199,387
1963-64	1,159,096
1964-65	1,207,143
1965-66	1,150,000 (estimated)

3. As at March 31, 1965, 93,342 annuities were being paid.

QUESTIONS PASSED AS ORDERS FOR RETURNS

RIDING MOUNTAIN NATIONAL PARK

Question No. 364—**Mr. Mandziuk:**

1. Has the Department of Northern Affairs and National Resources purchased farm land from the resident farmers south of the Riding Mountain national park since 1957?

2. If so, what is the legal description of each parcel, the date of purchase, consideration paid, and the name of each vendor?

3. What are the reasons for these purchases?

4. What annual grants has the Department of Northern Affairs and National Resources paid to the resident administrator since 1957 as compensation for the loss of tax revenue to the municipality?

5. What portion, if any, of the said grant is earmarked for school purposes?

6. How long will these grants be continued?

Return tabled.

RECLASSIFICATION OF LABOUR DEPARTMENT STAFF

Question No. 385—**Mr. Orlikow:**

1. Were any members of the staff of the Department of Labour reclassified, during 1964, 1965 and 1966 to date, following a study of their duties and performances?

2. If so (a) how many persons were so classified in each branch of the said department (b) were members of the staff of the National Employment Service required to qualify by written test for reclassification and for what reason?

3. Were any protestations from the staff of the NES received during 1965 by the Department of Labour or any official thereof concerning the requirement to write a qualifying examination to determine eligibility to enter the employment service officer class and, if so, what were these recommendations, to whom were they made, and what action, if any, was taken thereon?

Return tabled.

Mr. Speaker: The remaining questions stand.

Mr. Robert C. Coates (Cumberland): Mr. Speaker, before we allow the remainder of the questions to stand I should like to draw your attention to question No. 5 which has been standing on the order paper since the first day of the session.

Mr. Speaker: Order, please. Is the hon. member rising on a question of privilege?

Mr. Coates: Yes.

Mr. Speaker: The hon. member should so state when he rises.

Mr. Coates: Question No. 5 has been on the order paper since January 18, the day this session began. It is not a complicated or difficult question. Question No. 163 has been on the order paper since January 21; question No. 210 has been on the order paper since January 24. All these questions should have been answered far sooner than March of this year. I urge that the government provide us with answers as quickly as possible.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I also rise on a question of privilege arising out of the answer to question No. 681, in which I asked how many grain merchants or dealers purchased wheat from the wheat board since January 1, 1965 and what were the names of such purchasers. The reason of the wheat board for refusing to give this information is one that is untenable. Parliament has a right to this information which in no way reveals the competitive situation of the several merchants but it will reveal facts that ought to be known by the Canadian people.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, notice of motion No. 95 is acceptable to the government.

Mr. Speaker: Is it the pleasure of the house that notice of motion No. 95 be passed?

Some hon. Members: Agreed.

Mr. Speaker: Carried.

Mr. Béchard: Mr. Speaker, notices of motions Nos. 96, 98 and 99 are acceptable to the government, subject to the usual reservations regarding classified documents and subject to the approval of the provincial authorities concerned. I would ask, Mr. Speaker, that the remaining notices of motions stand.

[*English*]

Motion No. 95—**Mr. Orlikow:**

ADMISSION TO CANADA OF FOREIGN DOCTORS

That an Order of the House do issue for a copy of all correspondence during the past three years between the federal government and the Canadian Medical Association, the Ontario Medical Association, the Ontario College of Physicians and Surgeons, or any other organization representing the medical profession, regarding the admission of foreign doctors to Canada and the standards of their education which might affect their right to practice medicine in Canada or any of the provinces.

Motion agreed to.

GARIBALDI PARK, B.C.

Motion No. 96—**Mr. Douglas:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence and other documents between the federal Minister of Northern Affairs and National Resources and the federal Minister of Mines and Technical Surveys and the Minister of Recreation for British Columbia since April 8, 1963, concerning Garibaldi park in British Columbia becoming a national park.

Motion agreed to.

OTTAWA-HULL BRIDGE ACROSS LEMIEUX ISLAND

Motion No. 98—**Mr. Caron:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence exchanged between the federal government and the governments of Ontario and Quebec, with regard to the proposed construction of a bridge from Hull to Ottawa, across Lemieux island.

Motion agreed to.

DEVELOPMENT OF HIGHWAYS 8 AND 11, HULL

Motion No. 99—**Mr. Caron:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence or communications exchanged between the federal government, the Department of Public Works, the national capital commission and the Premier of Quebec, the minister of public works of Quebec or any government body, with regard to the development of highways Nos. 8 and 11 to Hull.

Motion agreed to.

Mr. Ralph Cowan (York-Humber): May I ask, in connection with notice of motion No. 21 that this be transferred for debate? I asked the question in January and it still appears in March.

Inquiries of the Ministry

Mr. Speaker: Order; it has to be called before the hon. member can ask that it be transferred for debate.

ADMINISTRATION OF JUSTICE

REQUEST FOR ROYAL COMMISSION TO INVESTIGATE ORGANIZED CRIME

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to direct the attention of the Prime Minister to a request made to him yesterday in an appeal by the Minister of Justice of the province of Quebec, asking for the appointment of a royal commission on organized crime. In dealing with the state of emergency during the course of his statement he said that the crime lords of Canada are known but there must be full co-operation if their nefarious wrongdoing is to be made known, and only through a royal commission would it be possible to ferret out the serious infiltration of these crime lords into Canadian life.

I ask this question of the Prime Minister because this further statement by a reliable man such as the Minister of Justice of Quebec indicates what the condition is. What does the Prime Minister intend to do about setting up a commission of federal and provincial representatives?

Right Hon. L. B. Pearson (Prime Minister): I said in reply to a similar question by my right hon. friend the other day that the matter would be considered by the government. Such preliminary consideration was given at our meeting of cabinet on Tuesday, at which unfortunately the Minister of Justice was not able to be present. This consideration will be continued tomorrow at cabinet when the Minister of Justice will be present, and when a decision is reached it will be announced in the house.

[*Later:*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the right hon. Prime Minister. In the light of the increasing demand for a thorough study of crime in Canada, is the government considering issuing, perhaps, a white paper that will report on the situation with respect to crime and security in this country, so the general public can at least have some knowledge and some assurance that this particularly important aspect of our society will be looked into properly?

[Mr. Cowan.]

Mr. Pearson: Mr. Speaker, I shall be glad to consider that suggestion. However, I ought to remind my hon. friend that not many weeks ago a conference was held between the attorneys general of the provinces and the federal government on this very subject, at the end of which a statement was issued. I shall be glad to see if a supplementary white paper could be of value and of some use.

Mr. Thompson: A supplementary question, Mr. Speaker. Does not the Prime Minister believe that the very outcome of the conference with the attorneys general of the provinces would be the basis for such a report?

Mr. Speaker: Order, please. This is put in the form of a debate. The hon. member asks whether the Prime Minister believes this or something else. I suggest that that question is not properly worded.

BUSINESS OF THE HOUSE

ALLOCATION OF TIME FOR DISCUSSION OF ESTIMATES

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, my question is for the Prime Minister or the government house leader. In view of the understanding that when the present estimates are disposed of a supply motion will be brought in to open up ten departments, and these departmental estimates will then be sent to the various committees, I want to ask whether consideration would be given to having a meeting of house leaders with a view to allocating time so we could clear up all the present estimates by the end of Friday's sitting. It seems to me this would be possible if some allocation of time could be arranged. We would be agreeable to such an arrangement.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I am very grateful for the suggestion which has been made by the hon. member, and I will certainly be glad to convene a meeting of the house leaders.

Hon. Michael Starr (Ontario): Mr. Speaker, I rise on a point of order in regard to the matter which has now been raised. The Conservative opposition in the House of Commons has made at least two suggestions as to how best—

Mr. Pearson: Oh.

Mr. Starr: The Prime Minister need not say "Oh!"; all he has to do is confer with the house leader, who will verify the fact that we have brought forward certain suggestions which have facilitated the estimates of certain departments. We are willing to sit. This is how far away the Prime Minister is from keeping in touch with the House of Commons.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. Before we get into a debate on this matter I might remind hon. members that Wednesday is a short day with only 30 minutes allowed for questions. Therefore I doubt whether hon. members would want to spend 30 minutes, or a substantial part of it, discussing the matter which has been raised by the hon. member for Burnaby-Coquitlam. It may be that after we have completed the question period a point of order might be raised, and I suggest this would be the proper way to proceed.

Mr. Starr: On the point of order, Mr. Speaker, I want to say this about the remarks made by the hon. member for Burnaby-Coquitlam. It is the house leader of that party who has not been able to give firm commitments—

Mr. Lewis: Oh, come on.

Mr. Starr: That is right—in order to allocate time. That is the case.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, on the point of order, may I just thank my hon. friend for his ready agreement to the proposal that we should allocate time as a result of a meeting of the house leaders, which will facilitate introduction of the proposals which will be coming before the house after we get the estimates through.

Mr. Starr: Mr. Speaker, it is the house leader for the N.D.P. who does not speak for his members, and he should keep that in mind.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. I have been able to back up my commitments just as much as the hon. member for Ontario has been able to back up his, if not more so.

Mr. Starr: Far from it, and you know it.

Mr. McIlraith: Mr. Speaker, may I just take a moment or two of the question period to say that we had every evidence yesterday of excellent co-operation from the official opposition. I will be very happy to convene a meeting of the house leaders to see what can be done to best serve the interests of all hon. members of parliament so we will not only have a full discussion of the estimates, but with the secondary purpose in mind of trying to complete this year's estimates on Friday night.

I do not want to get into any discussion of what was said at house leaders' meetings, but I do want to make it clear that I am appreciative of the co-operation I have had from the leaders of all parties opposite.

Mr. Churchill: Mr. Speaker, there was an excellent example of obstruction last night on the part of the N.D.P.

Mr. Speaker: Order, please.

[*Translation*]

EXTERNAL AFFAIRS

VIET NAM—DELEGATION PROTESTING CANADIAN SUPPORT OF U.S. POLICY

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, we are going to change the subject and revert to questions. My question is directed to the Prime Minister. Did the Prime Minister receive, yesterday or today, a delegation or representations from a group of professors and university students concerning the support the Canadian government is giving American military operations in Viet Nam? Is the Prime Minster in a position to tell us what answer he gave to such a delegation?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, I did not receive this delegation. It was received by the Secretary of State for External Affairs this morning.

[*Translation*]

Mr. Caouette: Mr. Speaker, a supplementary question. Would the Secretary of State for External Affairs give us an answer?

Hon. Paul Martin (Secretary of State for External Affairs): Yes, Mr. Speaker. I received the delegation this morning and considered its representations. I told the delegates we were doing everything in our power to promote negotiations as a member of the

control commission. I hope that I have impressed the delegates.

Mr. Caouette: Mr. Speaker, I should like to put another question to the Secretary of State for External Affairs who said he impressed the delegation.

Mr. Martin (Essex East): I hope so.

Mr. Caouette: The Secretary of State for External Affairs may not be aware that, according to some delegates, the delegation is in complete disagreement with the present attitude of the government toward Viet Nam.

[*English*]

[*Later:*]

Mr. David MacDonald (Prince): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. Though the Prime Minister informed us earlier that he had not received the delegation with regard to peace protests on Viet Nam, and since all of us I am sure have received a lengthy letter in this regard, with the recommendation that there should be a full debate—

Mr. Speaker: Order. The hon. member should put his question.

Mr. MacDonald (Prince): Is the Prime Minister giving consideration to an immediate discussion of this matter in the external affairs committee?

Mr. Pearson: Mr. Speaker, it is, of course, the right and privilege of any member of that committee to raise any subject for discussion, and I have no doubt this particular one will be raised.

VIET NAM—EFFORTS TO BRING ABOUT PEACE CONFERENCE

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. I was going to ask this a little earlier. Is the minister in a position to inform the house whether there has been any further progress in the attempts by himself and others to start discussions toward a conference on peace in Viet Nam?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I think I can say there has been some progress. I cannot report that there has been any final agreement. There has been an indication by the government of India that it would be prepared to join with Canada in the use of the commission for the purpose which was discussed with the Secretary General of the United Nations. India has taken the position, and I think correctly, that before the commission can act it must have the agreement of all three member states.

The third member is seriously and sincerely engaged in discussions with us on this matter. All three countries are doing whatever they can, having in mind their respective obligations to other countries, to try to reach a decision which would place this instrument, which the Canadian government believes now to be a potentially effective instrument, in a position to bring the parties together in this regrettable dispute.

CANADIAN CONSTITUTION

REPORTED STATEMENT IN MONTREAL BY MINES MINISTER

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): My question, Mr. Speaker, is directed to the Minister of Mines and Technical Surveys, and has to do with a speech he made in Montreal yesterday. As reported in *Le Devoir* he said that as far as he was concerned a written constitution is not worth the paper it is written on. Is that the view of the minister; and did he, in uttering those words which are quoted in several newspapers, express the views of the government in that regard?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, it is well recognized by constitutionalists all over the world that a written constitution is only one of many elements entering into the formation of the real constitutional system of any country. The British North America Act is only part of the Canadian constitutional system. The conventions of the constitution are important. Legal interpretation is also important. Ordinary laws with constitutional contents passed in this house are also important.

Mr. Diefenbaker: May I ask a supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. The Chair has some doubt whether the question was in order in the first place. Perhaps the answer was not in order either. There is a discussion of a constitutional point between the right hon. Leader of the Opposition and the minister. My understanding of the rules is that

perhaps the right hon. Leader of the Opposition might ask the Prime Minister whether a statement made outside the house by the minister represents the policy of the government.

Mr. Diefenbaker: I asked the minister a question. I asked him whether he made such a preposterous statement, and his reply was not to answer the question. I ask him again. There is no other direct quotation in the statement except that the constitution is not worth the paper it is written on. Then the newspaper went on to say that the minister was going to resign unless he got what he wanted.

Mr. Pepin: I was not talking about that when I said I might resign, I was talking about bilingualism in the civil service.

Mr. Starr: You might end up in the salt mines.

Mr. Speaker: Order, please.

FINANCE

INQUIRY AS TO ASSISTANCE TO GOLD MINING INDUSTRY

On the orders of the day:

Mr. M. W. Martin (Timmins): Mr. Speaker, my question is directed to the Minister of Finance. In view of the recent announcement that the production of gold dropped by some 11 per cent in the last year, and in view of the announcement this morning that two more gold mines will be closed down with a third one to be closed in six months, will the minister tell the house whether the government has any plan or policy that is going to prevent the complete extinction of the gold mining industry in this country?

Mr. Speaker: It seems to me that the hon. member is asking a question in very general terms, requiring a statement of general policy, which cannot be asked at this time.

TRADE

MATTERS TO BE DISCUSSED AT CANADA-U.S. MINISTERIAL MEETING

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I was unable to find the occasion on yesterday's estimates to obtain an answer to a question I directed to the Minister of Finance on Tuesday. I wonder if I might be permitted to ask my question again. It deals with the agenda of the ministers' meetings at Washington, concerning the relations between the Securities Exchange Commission in the U.S. and the potential national securities exchange commission here, also the relationship between the federal power commission and the National Energy Board. Will these matters be on the agenda on this week end's meetings?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the first of the items mentioned by the hon. member will be on the agenda. At that meeting we shall be protesting against the extension of U.S. security regulations to Canada. We shall be pointing out to the United States authorities that arrangements are already in hand by the federal government to promote more adequate securities regulations in Canada. I believe these two questions are quite closely related, and so does the government.

With respect to the second item raised by the hon. member, that matter is not on the agenda.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question to the Minister of Finance, Mr. Speaker. Is it also the intention of the Canadian ministers who will be attending the conference in Washington to make any protests regarding some of the other aspects of the U.S. guide lines policy.

Mr. Sharp: Mr. Speaker, I can assure the hon. member that there will be the fullest discussion of all these questions. I am sure the representatives of the U.S. cabinet who will be attending these meetings are very well aware indeed of Canadian views on this subject.

Mr. Hamilton: Mr. Speaker, I would like to seek additional information. Would the minister consider raising the second matter, possibly on an informal basis, with his counterpart in the U.S., with particular reference to the hearings now being held before the F.P.C. on the gas transmission line from the west to the east in Canada via the U.S.A. because I think this has implications concerning our national sovereignty.

Mr. Sharp: Mr. Speaker, may I suggest to the hon. gentleman that I do not think an independent judicial tribunal in the United States would welcome intervention by the Canadian government, any more than we would welcome intervention by the United States government before a board like the National Energy Board, and I feel it would be inappropriate for us to raise that sort of question at this time.

Mr. Diefenbaker: About Canada's sovereignty?

Inquiries of the Ministry

[*Later:*]

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I want to ask the Minister of Finance a supplementary question with reference to the questions asked by the hon. members for Qu'Appelle and Burnaby-Coquitlam on United States guide lines. Is the minister aware that the Chrysler Corporation has announced plans to raise $15 million outside the United States, and is he aware whether any portion of this is going to be raised in Canada for the corporation's capital requirements outside Canada?

Mr. Sharp: Mr. Speaker, I am not aware of these facts, but I shall be very happy to make inquiries.

MEMBERSHIP OF MISSION TO JAPAN AND KOREA

On the orders of the day:

Mr. H. A. Moore (Wetaskiwin): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce in connection with a news release from his department yesterday which stated:

> A seven man federal trade mission will leave Canada on March 11 to spend about two weeks promoting the sale of Canadian livestock, particularly Holstein-Friesians, in Japan and Korea.

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

Mr. Moore: Yes. I notice that all the members of the mission were chosen from Ontario and Quebec. Why was there no representative from other parts of Canada, in particular western Canada.

Mr. Speaker: Order, please. I doubt if this question is in order at this time, because the hon. gentleman is dealing with something that has happened. I suggest he might place his protest on the order paper.

FISHERIES

BAY OF FUNDY—ALLEGED DISCRIMINATION AGAINST NOVA SCOTIA FISHERMEN

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I would like to direct a question to the Minister of Fisheries. It arises out of an answer he gave yesterday to a question directed to him by the hon. member for Digby-Annapolis-Kings (Mr. Nowlan). In view of the minister's statement that all four Atlantic provinces are part of Canada, will the minister inform the house when the discriminatory regulation which denies the right of herring seiners to operate on the New Brunswick side of the bay of Fundy, on a year round basis, will be lifted?

Mr. Speaker: Order, please. The hon. member for Moose Jaw-Lake Centre.

Mr. Crouse: Mr. Speaker, this question is very important to Nova Scotia and maritime fishermen in general, and I think the minister should answer.

Mr. Speaker: Order. The question has not been put in a proper way. That is why it has not been accepted by the Chair.

Mr. Crouse: On a point of personal privilege, Mr. Speaker, the minister stated yesterday that all four Atlantic provinces are part of Canada. I ask the minister, when is he going to start treating all fishermen in the Atlantic provinces on an equal basis?

AIR TRANSPORT

REPORTED REDUCTION IN INTERCITY SERVICE IN WEST

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I wish to direct a question to the Minister of Transport. Has the minister received a wire from the Regina Chamber of Commerce expressing concern at the report of possible discontinuance of intercity air service by TransAir; and will he assure the prairie cities of his intention to see that this air service, or some similar service, is continued?

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

Mr. Pascoe: With all respect to you, sir, this is a very pressing question to the people out there. It is something which is coming up very shortly. I gave the minister notice, and I think he should answer.

Mr. Speaker: Well, if the minister feels the question is of such urgency that it should not be placed on the order paper but answered now, certainly the Chair has no objection.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, in this particular case since the hon. gentleman did me the courtesy of giving me notice I think I should answer. Further, I think this matter is urgent because there was a quite erroneous statement—I am not blaming anybody—in the press this morning about the matter.

It is true that the Air Transport Board has permitted TransAir to suspend the service between Yorkton and Saskatoon within the

next ten days or so, but so far as an application for suspension of the rest of the prairie services is concerned, the board has decided to hold a hearing on this matter, and the services will not be suspended until a hearing has been held and a decision rendered.

INDUSTRY

AUTOMOBILES—REPORTED INCREASE IN IMPORTS FROM U.S.

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I wish to direct a question to the Minister of Industry. In view of the serious imbalance of trade between Canada and the United States, and the information just released today by the D.B.S. people stating that for the first nine months—

Mr. Speaker: Order. The hon. member cannot give an observation or information. He should ask for information by posing a question.

Mr. Hales: I will rephrase my question, Mr. Speaker. In view of the serious imbalance of trade between Canada and the United States, what steps does the minister propose to take to halt the fantastic rise in the importation of automobiles into Canada which took place during the first nine months of the operation of the free trade deal? The statistics show that the increase is 50 per cent.

Hon. C. M. Drury (Minister of Industry): If I may give a very short answer—

Mr. Speaker: Order, please. I suggest the hon. member should place his question on the order paper.

SPORTS

MONTREAL—ASSISTANCE IN GETTING 1972 OLYMPIC GAMES

On the orders of the day:

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare or his parliamentary secretary. Would the minister tell us whether the mayor of Montreal has requested assistance from the federal government in his attempt to obtain the 1972 Olympics for Montreal?

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

Inquiries of the Ministry

UNITED NATIONS

EAST GERMANY—CANADIAN ATTITUDE TOWARD MEMBERSHIP APPLICATION

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of yesterday's announcement that East Germany has applied for membership in the United Nations, could the minister say what will be the attitude of the Canadian Government toward that application?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, this is a matter that would go first before the Security Council. Canada is not a member of the Security Council, so we would not now have the opportunity of expressing our judgment, but I suspect that, because there is no peace treaty, UN membership for East Germany is something we may not readily expect.

ADMINISTRATION OF JUSTICE

GEORGE VICTOR SPENCER—REQUEST FOR JUDICIAL INQUIRY

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I ask the Minister of Justice whether he has received any recent communication from Victor Spencer which would constitute further evidence in support of a judicial hearing, as has been demanded by the opposition in this house?

Hon. Lucien Cardin (Minister of Justice): No, Mr. Speaker.

[*Later:*]

Mr. Nielsen: Mr. Speaker, may I ask the Prime Minister whether he has received any recent communication from Victor Spencer which would constitute further evidence in support of a judicial hearing into this matter?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, my hon. friend will be disappointed when I say no.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, this is supplementary to the question asked by the hon. member for Yukon, and is directed to the Prime Minister. During the course of the investigation and during the last few months has the government of Canada received a letter from Spencer setting forth his side of the case and, in that letter, giving a great deal of information?

Inquiries of the Ministry

Mr. Pearson: Mr. Speaker, the government of Canada has received a communication from Mr. Spencer, signed by him, explaining—

Mr. Nielsen: Exactly.

Mr. Pearson: This was many months ago—explaining the nature of his own improper conduct. The government also received a communication from Mr. Spencer some weeks ago—"To Whom It May Concern"—thanking the R.C.M.P. and others who have been with him during these difficult months for the courtesy and consideration he received.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Speaker, now having the interpretation of these two letters, I ask the Prime Minister to table them. Let us get the facts.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to put a supplementary question to the hon. Minister of Justice. Can he tell us if an hon. member has approached him with a view to meeting Mr. Spencer?

Mr. Cardin: No, Mr. Speaker.

[*English*]

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I have just returned from Vancouver and I should like to ask a supplementary question of the Minister of Justice and the Prime Minister. I made inquiries of the Royal Canadian Mounted Police in Vancouver from eleven o'clock Monday morning until five o'clock Monday afternoon. The Royal Canadian Mounted Police informed me they did not know where Mr. Spencer was. Will the Prime Minister or the Minister of Justice tell me whether they know where Mr. Spencer is?

Mr. Cardin: Mr. Speaker, if I may answer that question, I might say I understand that the hon. member for Vancouver East spoke to the Royal Canadian Mounted Police about seeing Mr. Spencer—

Mr. Winch: How did you know?

Mr. Cardin: —and that the Royal Canadian Mounted Police gave the member for Vancouver East the address of Mr. Spencer—I am sorry—gave Mr. Spencer the address of the hon. member for Vancouver East and said that if Mr. Spencer wanted to communicate with the hon. member for Vancouver East he was certainly free to do so.

[Mr. Diefenbaker.]

There was also a further question. The hon. member for Vancouver East was advised that Mr. Spencer might in fact want to see him, and the hon. member said he was going to Ottawa and that if Mr. Spencer wanted to see him he should write him a letter.

Mr. Winch: Mr. Speaker, I rise on a question of privilege. In what has just been stated by the minister you will have noticed how the minister had to correct himself. I was at no time given the address or a telephone number. All this is most important on my question of privilege. I telephoned the only place I thought I could phone, the Royal Canadian Mounted Police, because I felt it was important to Mr. Spencer. For six hours I received no definitive answer.

Mr. Speaker: Order, please. Will the hon. member kindly resume his seat. I have to advise the hon. member that I do not think there is a question of privilege at all in what he is saying now. He asked a question of the minister and a reply was given. I do not see how the exchange could have given rise to a question of privilege in any way. If there are other facts which the hon. member feels give rise to a question of privilege it is not my intention to deny him the right to raise such a question, but certainly to this point there is nothing to indicate there is such a question.

Mr. Winch: Mr. Speaker—

Mr. Douglas: Mr. Speaker, on a point of order—

Mr. Speaker: Order, please. Perhaps we might allow the hon. member for Vancouver East, who seems to think there are additional arguments to bring forward, the opportunity to do so, so the Chair can give the matter further thought.

Mr. Winch: I will do so right now, Mr. Speaker. This is a most important matter. The information given by the Minister of Justice is not correct in respect of my endeavours to get in contact with Mr. Spencer in Vancouver. I tried to get in contact with him at ten minutes to eleven on Monday morning. After going through sub-inspectors and sub-inspectors I finally received an answer at 14 minutes after five o'clock at which time I was told that the Royal Canadian Mounted Police were not able to get in touch with this man under surveillance to tell him that I wanted to see him. At 14 minutes after five o'clock on Monday I said "Will you then convey a message to him that I am trying to get in touch with him, because I am leaving

for Ottawa at 9.15 tomorrow morning and he can contact me by phone or by mail". Sir, for six hours the Royal Canadian Mounted Police, having this man under surveillance, said they could not get in touch with him to convey my message.

Mr. Speaker: Order, please. There is still no question of privilege. The question period has expired.

SUPPLY

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

DEPARTMENT OF AGRICULTURE

Administration—

1. Departmental administration, including the Canadian agricultural services co-ordinating committee, contributions to the commonwealth agricultural bureaux and a special contribution not exceeding $62,000 to the agricultural economics research council, subject to approval by the treasury board, $4,186,600.

Mr. Greene: Mr. Chairman, these being the first and I sincerely hope not the last estimates I shall have the honour to present before this committee I should like to say that as these estimates are the estimates of the past year I hope hon. members will not think it inappropriate if I do not have too much to say by way of an opening statement in respect of them. I am sure hon. members opposite are waiting with bated breath for my words of wisdom in this regard. I do think, however, that it might be best, in as much as these estimates are the estimates of the minister who preceded me, if I do not say too much in opening except to say I would be pleased to try to answer any questions which hon. members may have.

Very briefly in opening I think I should thank hon. members on both sides of the house for the great courtesy they have shown me since my appointment and for the help I have received on all sides of the house. I trust that during my tenure as minister we will be able, with the co-operation of members of the house, to evolve policies and measures which will be in the interests of the farm community generally.

I think we all rejoice in the fact of the good prices which generally have been enjoyed in the agricultural community in the past few months and in the past year. I know that this does not mean in any way that the job is done. It is far from being completed. I think there is still a great deal to be done. Certainly on the question of farm income, relative to that enjoyed in the industrial community in this period of boom and expansion there is a great deal yet to be accomplished.

I think the D.B.S. statistics, if I recollect them correctly, indicate that in the year 1951 farm income was of the same general level as industrial income. Today, I think probably by virtue of the great boom and expansion in the industrial community, farm income generally is now something like 30 per cent below the average income enjoyed by working men and women in the industrial community.

• (3:30 p.m.)

As long as this state of affairs exists I believe there is a great challenge to us who are interested in or responsible for the interests of the agricultural community generally. I hope that the government measures announced in the Throne Speech for the purpose of improving the situation will be efficacious and successful. I certainly pledge myself and the department to the end that this discrepancy will be removed. As hon. members know, the general policy of the government is to the effect that family farm incomes will be, through the use and application of effective measures, generally of the same proportion as incomes enjoyed in the industrial communities. In the past year or two the average industrial income has been somewhere between $4,500 to $5,000 per year. Certainly the policies of the government are geared to the end that the minimal income of the viable economic farm unit will be of the same measure, of the same nature and in the same economic bracket.

With those brief words, Mr. Chairman, and with the hope that our policies will be successful and that we will get the co-operation of the house, as I know we will, in bringing about these effective policies when they are before us. I can only say that during my tenure of office I hope we can achieve improvement in the farm economy generally and that with the passage of our legislation as it comes forth there will be an improvement in the farm economy across the whole of this great country.

Mr. Danforth: Mr. Chairman, first I should like to thank the minister for the courtesy he has shown in making a statement. On behalf of the opposition I should like to thank him particularly for his deliberate course of action in staying completely away from the partisan political role. I am sure he will find that,

because of his determined course in this respect his estimates will receive ready acceptance from this side of the house.

One of the important aspects in the agricultural field in the last few years relates to a feeling by the farmers of this great nation that partisan politics have been creeping into the department in such a way that its efficiency can be crippled to some degree. I am not going to elaborate on this in a partisan manner because I hope to stay absolutely away from partisanship, but I do wish to point out three examples where this was very evident.

In Ontario the sugar beet growers were very much disturbed last fall by the fact that subsidy cheques which they had earned and which were owing to them were delayed for many weeks. All interrogation of the minister and the department by members on this side of the house failed to procure any kind of statement why this situation existed. Is it not strange that on the Saturday preceding the last election, after weeks of delay, thousands of dollars in subsidy cheques poured into the hands of the sugar beet growers not because of the benevolence of the government but because the money was owing to these farmers. This cannot be regarded as a coincidence because the cheques did not arrive on the usual staggered basis but were directed to all mail routes so that they arrived simultaneously.

The farmers of the area concerned took a very dim view of this because they felt that not only were partisan politics involved but pressure had also been brought to bear on the Department of Agriculture to make such a course of action possible. I want to congratulate the minister, however, because he stayed out of party politics, which was not the course of action followed by his predecessor. I am sure one little incident will bear out what I mean in this regard.

I posed a question in the house to the previous minister of agriculture and he took the question as notice. I had no objection to that because it was his privilege to do so. However, I object very strenuously to the fact that having taken my question as notice his office telephoned the next morning to the local Liberal M.L.A. and gave him the answer before it had even been given to me in the house. That gentleman then telephoned the local radio station which in turn made it available to everyone over the air. Surely that is partisan politics.

I should like to outline one more incident of this type and then leave this subject. I was

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most unhappy and disturbed when I visited a great farm community group who wished to present their views to the government as to what should be done in the field of agriculture because it appeared to me that at that meeting they were combing their membership for known government party workers to present their brief. They did not feel their views would be listened to unless they were presented by known party workers. That is a sad state of affairs.

I wish now to congratulate the minister on his appointment to office. Following his appointment there were two questions which arose in the minds of farmers across the country. The first related to the fact that the hon. gentleman appointed to the ministry was a member of the House of Commons for an eastern constituency. What was the reaction to that appointment? I am delighted to say that the reaction so far as I was concerned, and as far as I could ascertain from a large group of farmers, was that they had no concern at all whether the minister was from the east or from the west as long as he delivered the goods, because that is what they are interested in.

The next question was related to his background. Was he a farmer? The farmers did not care whether or not he was a farmer. Farmers today are interested in what is ahead of them and what is to come. They want to know how the minister will receive their delegations, whether he will be sympathetic and what action he will take. They want to know whether he will direct the Department of Agriculture to assist them. That is the interest of the farmers of this country, not whether he is a farmer. I am very pleased that they are not interested in that aspect.

We could not of course expect the minister, who is new to one of the greatest departments of government and no doubt has a tremendous amount to learn, to make a policy statement today, especially in view of the fact he is dealing with the estimates of his predecessor. However, one of the things that has troubled us about the Department of Agriculture during the last three years is that there has never been a definite statement of policy made by the minister of agriculture, the Prime Minister or anyone on that side of the house.

Today there was no indication of appreciation of or concern for some of the main problems that face the agricultural industry

at this time. We were hoping that the minister would give some indication of government thinking in this regard. One of the big problems in the agricultural field today relates to the dairy industry. What lies ahead for that industry? The new year, so far as the dairy industry is concerned, is just ahead of it. What action does the government contemplate and where is it going in this area? I do not choose to deal with dairy problems because speakers who will follow me will do so in some detail but I wanted to point out that there is a problem in this regard.

• (3:40 p.m.)

Another problem is the extreme poverty that exists in some rural areas today. Farmers are faced, as are all other Canadian citizens today, with a tremendous increase in the cost of living that far exceeds the increase in their incomes. They are also faced with the ever-increasing cost of farm machinery and have to contend with this problem. Another problem that is becoming increasingly important and vital to the farmers is the lack of skilled, semi-skilled or even day labour to assist them. The lack of farm labour has very serious implications.

We are also concerned about the lack of any evidence of an over-all agricultural policy on the part of the government. I do not intend to spend the time allocated to me in dwelling on what the Conservative party did when it was in office. We made attempts in two basic areas. We started on a deliberate dairy policy for the nation as a whole. There are some indications that the government is carrying this policy even farther. We established through ARDA and other programs a policy designed to aid farmers, especially those in the more rural areas where poverty has become so evident.

We set up ARDA for this purpose, and there are indications that the government is carrying this project even farther. But we on this side of the house are concerned about the fact that most of the policies of the government have been based on policies that we established. They increased farm income; they increased farm loans; they increased Farm Credit Corporation loans; they made it possible through syndicates to buy more machinery. We had worked on these policies which were set up to help farmers.

However, Mr. Chairman, unfortunately conditions have changed to such a degree that in many instances these measures have created hardship. Increasing the amount of farm loans did three things. First, it did not solve anything. It put farmers deeper in debt because their obligations were increased. Second, since it gave young farmers more money with which to buy land a greater demand for farm land developed and its price increased. Third, when the machinery companies found that farmers had more money to spend, they took advantage of this fact and raised the price of farm machinery to some extent. So this policy did not settle anything. It did not meet any of the main problems it was designed to meet.

We in the opposition believe that the policy which was designed to help farmers in their distress in 1955, 1956 and 1957, and which we feel was successful, is not an absolute policy and should not be followed today. Conditions have changed vastly since that time and we believe a new policy should be introduced that will meet the conditions of farming today.

Hon. members on both sides of the house have to rely to a marked degree on recommendations made by farm groups which make a study of basic conditions in the industry. The farm groups have made recommendations. The Standing Committee on Agriculture listened to these groups. The groups made recommendations to the committee and the committee made a report to the government last March, but not one single policy advocated in the report has up to this time been introduced by the government.

One recommendation very dear to the hearts of the farmers in my area was that the feed subsidy paid by the government on the freighting of western feed grain into eastern Canada be paid in respect of feed grains moving from Ontario into traditional markets in the east. This was asked for and was recommended by the committee but it was turned down by the government. No doubt it was turned down by the government for what they felt to be good and sufficient reason, but I do not understand their reason and I hope at a later date to have the opportunity to debate this very important matter.

We are also very concerned about the Department of Agriculture as a department. Our great Department of Agriculture is made up of men who for the most part have spent all their lives in some field of agriculture. The Department of Agriculture has through the years established an international reputation not only with regard to assessing problems in agriculture on a day to day basis but

in assessing the future of agriculture and providing measures to meet tomorrow's situations.

The department has evolved various agricultural projects which have made farming so successful. We have increased production and have adopted new practices, thanks to the Department of Agriculture. We have extended the areas in which various crops can be grown, thanks to the work of the Department of Agriculture.

But what alarms us very much today is the fact that the government has taken the Department of Agriculture and divided it into several departments which have been placed under different ministers. This is of extreme concern to those of us who are so vitally concerned with agriculture, because it is directly contrary to the action of the Department of National Defence which has said that by amalgamation it has been able to cut down expense and increase efficiency. We want to know whether splitting up the Department of Agriculture will increase expense and cut down efficiency. Surely this does not work both ways. We believe we shall have to take a long look at this problem and find out exactly what the reaction is across the country to the division of the department. If the division of the Department of Agriculture will increase efficiency and help farmers and farm organizations, then we in the opposition will give credit to the government for its action, but until we have some tangible proof that it will have this effect we shall view the whole operation with suspicion.

We hope that the government will live up to its intention of placing before the Standing Committee on Agriculture the estimates of the Department of Agriculture for the next fiscal year. We shall ask the minister whether this is the intention of the government because we want departmental officials to appear before the committee in order that we may ask them questions. We do not want to persecute them but to find out if they are hampered in any way in their activities. We want to know whether they feel they have enough money for research in agriculture, which is so important today and so necessary for the future of the industry. We want to know whether they have the facilities with which to work. We want to know whether they are given the opportunity to attend agricultural functions and meetings throughout the world because agriculture is of world wide importance now and is not limited to Canada. We want to find out just what the

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policy of the government is, in what direction they are going and whether they are providing the necessary funds and opportunities to carry out this policy.

We have been alarmed during the last two years when ministers of agriculture have stood in their place and announced that action had been taken in regard to agriculture which would result in the saving of millions of dollars of the taxpayers' money. We all like to save money, but anyone engaged in the industry knows that drastic cut-backs by the government in this field mean that some section of the industry has to suffer an economic squeeze. We do not want to see this happen.

There is one other matter I should like to bring to the attention of the minister in regard to the position of agriculture today. I wish to commend some of the provincial governments for taking an absolutely new look at the problems of agriculture and approaching them from a new angle. Some provincial governments are approaching these problems from the viewpoint that agriculture should encompass every phase of food production and use from the producer to the consumer and should be under one department. I am one of those who feel this is a step in the right direction.

• (3:50 p.m.)

Surely we should know if the consumer is paying too much for a commodity. We should know if the primary producer is receiving too little for a commodity. We should know the amount of money it costs to take primary products from the farmer to the ultimate consumer. If all this information were available within the Department of Agriculture, we would then be in a position to look at the entire picture and perhaps not only make food more readily available to the consumer but through efficiency make our farmers more competitive in world markets. Perhaps we could reduce some expenses that are hurting the primary producer.

There are two other aspects of agriculture that I feel are in dire trouble. I do not believe the government is approaching them from the right angle. We have heard of the government proposition to buy submarginal farm land, convert it and sell it back to farmers. I do not believe this approach is feasible. I think it is too costly and I do not believe it will achieve the result desired.

When we look at the program to help farmers we must realize that today there is a

new type of farmer who is increasing in numbers. I refer to the farmer who makes only part of his living from the land where his home is situated and part of his living working in industry or from some other position. In other words, he is a part time farmer. We must realize that such farmers are not only here but are entitled to the opportunity to earn a living in this way. They are entitled to help. We must recognize that this type of farmer is a growing part of our agricultural picture and must receive every consideration.

Surely there must be some other way of helping a farmer than buying his land and moving him away. Perhaps another method would be the building of new roads into certain inaccessible areas, thus bringing in tourists, people who would build new cottages and create a need for more labour. A new motel, a new marina or a fishing resort might be developed. This is the sort of thing into which we should be looking now rather than curtailing the activities of the man who is making a living off the farm.

There is another change taking place which I do not believe most men engaged in agriculture expected. I refer to the dire plight of the large mechanized farmer, the man who has specialized or taken part in vertical integration. These large operators need help badly because they cannot find men to operate their extensive holdings. They have made tremendous capital expenditures on machinery but because of the labour picture are unable to obtain labourers to run the machines which are becoming ever more complicated. In addition, these large operators find they can no longer engage competent managers. As a result there is great inefficiency and a tremendous rise in costs. They thought they would make money because of their large production but they find the reverse is true and because of the extensiveness of their holdings they are suffering even greater hardship.

These are the things into which we should be looking. What can we do to help these men? More farm labour is going to have to be brought into this country in order to plant and harvest the large crops. We are going to have to comb every place in Canada where there is an excess of labour and try to engage these people on a seasonal basis for those areas where labour is needed. I feel that this method alone will not provide the answer to our labour problems. Other steps will have to be taken. I am encouraged to know that we are not alone in our concern. Members in all parts of the house are not only concerned about the situation but are taking concerted action to do something about it.

Finally I should like to say this to the minister. He is from eastern Canada and is therefore in a position to assess and be familiar with the problems of eastern Canada. He is a new minister without an agricultural background and probably has the advantage of having no preconceived ideas. He can listen to the officials of his department and take the advice of the great farm delegations that come here periodically. He can assess the tremendous needs of agriculture today and by directives can formulate a policy that will once more put the agricultural industry of Canada into a position of being envied throughout the world as once was the case.

Unfortunately this image has been fading lately because we are not delivering the goods. In my honest opinion, one of the great areas in which this country is falling behind is in the field of research development and sale of agricultural products throughout the world. Tremendous steps are being taken in this direction by other countries. There have been tremendous developments in the production of food. Make no mistake about it, Mr. Chairman, in the next few years we in this country will see the time when food and clean water will be as valuable as many of the base metals. We might just as well face this fact now and try to take steps to take advantage of the situation by keeping our water clean and providing the necessary agricultural commodities that will sell throughout the world. We can only do this by planning and by the work of our agricultural technicians. I have visited establishments that are only waiting for the word to go and they will give us the necessary products to sell. If we do not sell our products, if we do not make them competitive, we are going to find ourselves in the position where the nations of this world, by the use of carbon and other base materials, will possess synthetic foods produced through chemical processes and will not need our products to the degree they do today.

Let us provide the products they need. We have such a golden opportunity. Many millions of people in the world are starving to death because of a lack of protein and carbohydrates, two essential food elements which we have in excess in this country. Some success has been achieved in processing

these elements in a form in which they can be shipped to all needy countries. We are going to have to have a program, we are going to have to barter, we are going to have to exchange goods for goods. This is the sort of program the Department of Agriculture should be adopting. The department should ascertain what we need from these countries. Let us trade with these countries. They do not want extended credit; they want to trade. Certainly they have some things we can use. I feel the time has come when we should move into this field. Let us find out what they can use. Let us provide it for them at a price they can afford.

This government has used subsidies and marketing schemes as a means of answering farm problems. Previous governments have done the same thing. This is a common practice of provincial administrations in the field of agriculture. The men who are engaged in agriculture have come to the definite conclusion that subsidies and marketing schemes do aid in times of dire trouble but that they are not an answer to all agricultural problems today. We have to take a new look at these problems. We have to move into new fields. Agriculture is an industry with tremendous horizons. Now is the time to move into new fields. The only way we can do this is to go to our technicians in the industry who, I say with utter conviction, are second to none in this world, and give them an opportunity to place Canada in the forefront. Let them tell us what the problems are. Let them suggest solutions and let us back them with our support and taxpayers' money. I assure you it is my conviction that this approach will be cheaper to the taxpayer in the long run.

• (4:00 p.m.)

Mr. Peters: Mr. Chairman, I realize the minister has been very brief in his remarks in introducing the estimates of his predecessor and I do not blame him for this for two reasons. First of all, the money is pretty well gone and, second, there is really nothing creditable in the operations and stewardship of the previous minister of agriculture. None of the problems he faced originally were solved and the condition of agriculture now is no better than when he was first appointed minister.

Whether or not the new minister from eastern Canada will change this state of affairs I do not know, but let him remember that if he fails he may be pensioned off to the other place, which perhaps would not be a bad thing either. However, the Canadian public are looking to the federal government for assistance which they have not been getting and I personally am looking to the new Minister of Agriculture to consider some of the problems he now faces.

I was very pleased to hear him be so brash as to say that much of the responsibility for the problem in moving grain in western Canada rested entirely upon the shoulders of the management of the Canadian Pacific Railway, who had failed to provide box cars for the movement of wheat when requested to do so. The fact that he is not going to do anything about it is not necessarily his fault but the fault of his friends in the cabinet who are failing to take the necessary steps so apparent to the new minister who knows the problem and sees the solution. When the officials advise him that you cannot force the Canadian Pacific Railway to provide box cars and that you cannot provide larger quotas for some of the points shipping grain, then they make the problem even more difficult for the minister. However, I hope he will be able to continue taking that fresh look which he apparently took of some of the problems which have faced us over the years in western Canada which though not yet solved are not without solution.

In speaking on the estimates last year I made reference to a problem which had developed in Ontario and in particular in my part of Ontario. It is one which last year caused a disaster. I have on the order paper a bill to introduce legislation to govern, license and regulate the operation of rainmaking machines. No doubt each hon. member has his own opinion whether or not rainmaking machines do produce rain, but in any case both the Prime Minister and the Minister of Forestry are aware of the fact that a superabundance of rain fell last year in the northern part of Ontario creating a problem completely foreign to the Minister of Agriculture who comes from an area which suffered to about the same degree for exactly the opposite reason.

The farmers in my area believe that the rainmaking equipment used by the Ontario Department of Lands and Forests, the Ontario Hydro and by private pulp and paper companies had a great deal to do with the fact that it rained almost every day last year and destroyed a large percentage of the hay and grain crop in my area as well as almost

all the seed produced in the area which amounts to about half the total production in Ontario. It is interesting to note that the Ontario government spent a quarter of a million dollars on the installation of rainmaking equipment in the minister's riding last year to produce rain. Whether or not there can be compatibility in the use of such equipment in different areas is a moot point and one which will be kicked around at farmers' meetings probably for the next couple of years.

I believe that the Department of Agriculture should give some consideration to the various aspects of rainmaking and should investigate the potential of this operation. If it works in areas where there is a drought it would be advantageous. If it works in areas which have an abundance of rain, then I suggest that probably some compensation should be made available to the farmers. In my area between 50 per cent to 80 per cent of the hay crop was submarginal. This was not because we did not have a good crop. We had a bumper crop. The same was true of grain. However, it rained all through the haying season and most of the hay that was cut stayed on the ground. Also, a lot of it was not even cut and much of it put into the barns was not fit to feed to stock and in many cases was dangerous as feed owing to its condition.

A somewhat similar situation exists with regard to grain. I estimate that in Timiskaming the farmers received something less than a 50 per cent return on their grain. In the Cochrane district they probably received less than 30 per cent.

The reason I raise this matter is that the federal government has been interested over the years in crop insurance. They have also been interested in natural disasters. They introduced the prairie farm rehabilitation scheme and have given assistance in cases of disaster for some time. In Ontario assistance is given with the co-operation of the provincial government but for the last few years the Ontario government has not looked farther than the edge of Toronto. If the grass is green on the lawn of the parliament buildings, then agriculture in the province must be in fairly good shape.

How little attention is paid to northern Ontario is seen by the fact that the situation to which I have referred became so acute that it was made an election issue, and the Prime Minister of Canada became involved and made all sorts of silly promises, as did others. The Ontario department decided to apply the same drought program in my area as was applied in the Renfrew area, which means that coupons were issued to the farmers to enable them to buy grain and hay. Assistance is provided up to $30 per ton for feed grain and $15 per ton for hay. The difficulty is that no hay is available. Most of the farmers have insufficient money to make up the difference in the cost of grain, which is about $30 to $35 per ton in addition to the government subsidy. I think the minister will agree that this is not good legislation. I think he will agree that further assistance must be given to these farmers.

I had hoped that the Minister of Agriculture would be from the province of Quebec. While many people have spoken of backward conditions over the years in the province of Quebec, anyone who looks at Quebec today will find that agriculture in the province is much more advanced so far as assistance to farmers is concerned and certainly more advanced than agriculture in the province of Ontario, of which I have some knowledge. I was quite surprised and pleased to find that in the last throne speech in the province of Quebec another $9 million was allocated to the Lake St. John disaster area to meet the situation that arose in 1964-65, whereas in Ontario the government is willing to make only a 50 per cent contribution to the livestock program to keep cows alive during the winter so they can go on pasture in the spring. It is an animal-humanitarian type of program which really does not do much to help the farmers stay in business.

When the Prime Minister visited my area during the election campaign I was surprised to find him talking about the fact that the government was going to buy a number of farms in different areas, take them over and operate them for a while and when they became operating units sell them back to the farmers. I suggest that perhaps the crop disasters in my area have helped the government considerably because it looks as though a lot of these farms will become available without the government having to buy them.

• (4:10 p.m.)

It is a type of crisis prevalent throughout the country and particularly in my area. In Canada we are faced with a type of agricultural disaster. Farmers are no longer able to carry on for any period of time because they are working on a very close margin. I am sure the minister knows these facts. I am not

sure what he is going to do about his officials when he brings farm problems to their attention. I believe that with very few exceptions there will be very little change so long as the officials of the department have their present attitude, which seems to be a fairly political one, as a result of which they act in such a manner that they will just get by.

I think that many officials in the Department of Agriculture will have to look at the effects of redistribution because from that will come changes that the officials will have to take into consideration. There will be a great shake-up in the Department of Agriculture when there is no support for the program which they have been carrying on for some time. I repeat that agriculture is in a very serious crisis. It is in a state of crisis not only respecting disasters, because the department helps nobody in disasters, but is in a state of crisis in many other areas.

I spoke to a man the other day who indicated that he had gone over the books of a young farmer who had spent considerable money in the buying of a large farm unit in which he had combined a number of smaller farms. He had gone into the meat production field, found himself in serious difficulty because of the lack of crop last year, had sold his cattle at a very large loss, had extended himself into the dairy products field, and now finds that he is plagued with the same problems as other dairy farmers are. Those problems arise from the lack of a dairy program in Ontario. Consequently he finds that he is selling about 25 per cent of his production on a quota giving him $25 a hundred while three quarters of his production is going at the surplus price of $2.85 which is considerably below his cost of production.

This farmer is going to be out of business very shortly unless something is done. We have talked of $4 milk in the house. A dairy commission has now been established in the province of Ontario and I am hopeful, as are the farmers, that the result in a short time will be the establishment of a unit price of $4 across the province so that all dairy producers will receive this price. I think assistance from the federal government will be required. If the program I have referred to is not successful then you will find we will have a situation with considerable competition across the borders between provinces and surplus milk being dumped from one province into another and so on. For instance, it might be found that casein is being dumped in one province and fluid milk in another, or it might be found that butter is being dumped in one province and cheese is being moved in the opposite direction.

It is interesting to note that the provincial government of Quebec has a 25 cent subsidy that has helped to create a problem with respect to movements of milk across the border. This, I think, is a field to which the minister will have to give consideration.

If agriculture as a whole is to survive, then the prices of agricultural products must rise. The cost squeeze on farmers must be reduced. At the same time there is another point that farmers are not taking into consideration but that the minister and the government must take into consideration. I refer to the unholy rise in the price of every commodity that people eat. Almost all these commodities are agricultural products. In this country we could very easily get into a position where consumers would not be able to buy the commodities that are produced, no matter how high the subsidy is. In this country as in the United States, we could find ourselves in a predicament where the government will have to provide subsidies to keep land out of production. If that were to happen, I think the failure of the federal Department of Agriculture would be known to everyone and it would be almost complete.

The farmers will agree, I think, that if the country has to pay a subsidy to keep land out of production something must be badly wrong with the whole scheme of things. Something must be wrong when you deny starving peoples of the world the commodities which would have been grown had land not been taken out of production.

Many problems face Canada today in the agricultural field. I am not one of those who particularly want the agricultural estimates to go before the agricultural committee this year. I am not interested in farm machinery prices being discussed before the agricultural committee. I say that because I have not, nor has any other member of the house, any assurance that anything will happen with respect to any thing discussed before that committee. In my office I have a thick file of documents containing facts, figures and statistics from an inquiry which we made not more than two or three years ago into the reasons for rising prices of farm machinery. This government and the previous government did absolutely nothing about that even

after the committee had made several recommendations that any government could have implemented if it had wanted to.

Unless the minister gives an assurance that he is prepared to do somthing about farm problems there is absolutely no point in the farmers of Canada thinking that anything will be accomplished by agricultural matters being referred to the agricultural committee. When I find that the Minister of Agriculture is not the least bit interested in what is going on in the agricultural committee I am always concerned. I am concerned when the minister sends his parliamentary secretary to see that the committee does not do anything and does not step out of line. His department even sends a sort of adviser to make sure that nothing happens, to make sure that a quorum can be maintained and to see that nothing is slipped in which might accomplish something.

I may be unfair in thinking that previous ministers have not really wanted to do anything about agriculture. I am quite sure that the last two ministers have not really wanted to do anything about agricultural problems. In fact, I thought that the last minister did not understand the problems. A million dollar farmer is not the average farmer that I represent. The problems of the million dollar farmer really do not interest the farmers I am associated with. Their problem is to try to live on $3,500 a year, a level which in some cases they are not even successful in reaching. This is the type of farmer about whom I think we must be concerned. To be successful in dealing with the small farmer's problems we shall have to consider all possible potential means to solve his problems.

The other night I discussed some of the problems facing ARDA. ARDA is not a matter that should come under the jurisdiction of the Minister of Forestry. Its problems concern the Minister of Agriculture. The minister is well aware of the long term potential of the ARDA program because in the long run it offers a solution for agriculture. The minister is as well aware as I am that many farmers in Renfrew and Timiskaming should not be on the farms they occupy today. Our problem is to find a solution to get them off the farms without bringing about the bad effects of great dislocations in communities and among the people who are going to be displaced. The solution to this problem will have to be considered over a long term. Standards will have to be set. Surveys will have to be made in the national interest to find out in what areas these displacements must take place.

• (4:20 p.m.)

This has not been done. Over the years we have given lip service to the ARDA program but we have not really implemented it. We have used it as a patronage machine in Ontario where the provincial government is getting the advantage of the patronage for which the federal government provides the cash. Everyone here knows this is true. That cannot be changed unless the federal government provides leadership in setting out the type of proposals that should be implemented, surveying large areas, and deciding what changes should be made.

At present a member of the provincial legislature can say, It would be very nice to have a little park here and a duck pond there; the federal government will give the money for them and I will get the credit. This is happening everywhere in Ontario. Is this our long term approach to agriculture? I say that if we do not do anything about the long term problem there is no use doing anything about the short term problem because it in fact is dying off.

The average age of farmers in Ontario is well over 50 years. They cannot hire extra labour. Seasonal help is a necessity. The United States government allows transient workers to enter that country from Mexico but as the season advances and those workers reach our borders we do not allow them into Canada because the federal Department of Agriculture has never introduced legislation to allow them to enter on a temporary basis. If we do allow these workers to enter Canada we shall have to make sure our farmers provide them with proper accommodation and wages, but tobacco harvesting, berry picking and other types of seasonal agriculture are capable of providing fairly reasonable salaries.

We have been very interested in the political manipulation of the eastern feed grain agency. I do not know where it stands now but the farm organizations are in favour of it. There is resentment in western Canada about an agency that is going to buy and sell, but the committee which studied this matter took that into consideration. It was quite prepared to have western representatives on the eastern feed grain board to see that an advantage was not established in eastern Canada which would be detrimental to the operations of the Canadian Wheat Board in western Canada.

I do not believe the eastern farmers are interested in gaining an advantage. All they

want is to be protected against the discrimination which hurts them now because of storage problems and the vast difference in the cost of feed grain in eastern Canada compared with the cost in western Canada. There is the cost of moving the grain but the federal government pays for its storage. Yet the grain costs $15 to $20 a ton more during the winter months than in the summer months. The feed grain policy is already established.

I suggest that both the farm machinery problem and the feed grain agency problem will have to be settled by the minister himself. If he refers them to a committee nothing will be done this year and nothing may ever be done about them. Our committee on farm machinery prices sat for four or five months and took a lot of my time and the time of other hon. members but it resulted in absolutely nothing. I may be unfair in saying that because for a four or five month period the farm machinery companies were cautious about raising their prices. However, they made up that time lag once they found out we really did not intend to do anything about the problem except have an inquiry.

The workers of Canada, the white collar people of Canada and even those on pension have decided that the income they receive must be reasonable enough to maintain a decent standard of living. When we find the automobile industry in trouble we give it a $50 million handout. When we find the old age pensioners in trouble we try to give them an extra handout of $25. We are seized of the problems facing most other areas of production in Canada but not in the agricultural area.

We can provide subsidies. I was very interested in the motion moved the other night by the hon. member for Humboldt-Melfort-Tisdale but I did not participate in the debate because I wanted to see it come to a vote and pass. However, a member from Vancouver, with no knowledge of agriculture at all, spoke on the motion and talked it out. I had hoped it would pass because it would provide an extra 5 or 6 cents a dozen for eggs in western Canada. There, eggs are selling for 17 and 18 cents a dozen, but people in eastern Canada have to pay 75 cents a dozen. Surely we can do something to equalize that situation and see that the producers get a fair percentage of the retail price. However, the motion was talked out.

In my opinion subsidies are not the answer but unless we can devise a better system we shall have to provide subsidies. If we do there should be a limit so that we do not end up with a vertically integrated industry that will be only a financial operation. If we provide subsidies it should only be done for farmers who are operating efficiently and the subsidies should only be enough to help keep them in production.

We also have need of national marketing legislation because if we introduce a subsidy program and build up production to a reasonable level we are likely to create surpluses and national marketing legislation will be necessary to dispose of them. There is really no surplus agricultural production in the world today. There is a deficit. There is a great need for agricultural products all over the world. Yet Canada and the United States are faced with the problem of providing a decent level of income for the farm community and we have a surplus problem.

We had a surplus problem with wheat which to some extent has been solved. We did not solve it in the old manner of having people come here and buy it. We went out and sold it. It is true there have been disasters throughout the world. It is true the large sale to Russia a couple of years ago was a Godsend to wheat farmers. But people who have been in Russia say that country will need wheat for some years to come and we must do our best to maintain that market.

• (4:30 p.m.)

This year we will probably not have surpluses in agricultural commodities except with respect to two products. It is hinted that by fall we will have a deficit in butter production and that it may be necessary again to import butter into Canada. If we have to do this, it is an indication that we have not been providing the proper support for the dairy industry; otherwise we would not have found ourselves in this position. There is a potential for almost double the production in the dairy industry if that industry is assured of a market for its products. The support will have to be national in scope because there is a problem between provinces in matters of trade with one province cutting the throat of an adjacent province. This is quite evident in eastern Canada.

There are many other problems in agriculture which we will have to face. In my opinion, before his estimates are passed the minister will have to make a statement in respect of what he intends to do. While he is not really responsible for these estimates, let

us not knock them because they did get the former minister of agriculture a seat in the other place. However, I think the minister has an obligation to outline what kind of legislation he proposes because it is not good enough to send the estimates to the standing committee if we are not sure what the minister wants to accomplish. I hope we will have a report from the minister indicating the solutions he has in mind which he hopes parliament will approve in respect of Canada's agricultural problems.

[*Translation*]

Mr. Gauthier: Mr. Chairman, I shall not speak at length on these estimates, since these are last year's estimates and, moreover, it is not even the present Minister of Agriculture (Mr. Greene) who took part in the implementation of this policy. Therefore, we cannot praise or even less blame him for the deficiencies that might have existed under the former minister.

I shall therefore confine myself to putting a few questions to the minister and telling him that we set all our hopes on him and that we are anxious to take cognizance of his next estimates as soon as possible. I urge all members of the house to pass the remaining estimates of the Minister of Agriculture, so that we may go on to more urgent matters.

Mr. Chairman, if these estimates were to be given the same treatment as those of the Minister of Justice (Mr. Cardin), it would be a second disaster, because it is obvious that the Minister of Justice is now in a dilemma due to the time wasted so as to prevent the house from undertaking more serious work.

Mr. Chairman, I ask the Minister of Agriculture (Mr. Greene) if he will bring forward legislation establishing a Canadian dairy commission this year, in 1966.

We, in Quebec, have long been asking for a Canadian farm products commission for the east. The minister indicated that such legislation is intended. To my mind, this is the first step toward granting us what we have so often been asking for in this house. We ask him to go further in his efforts in this connection, so as to cover not only the dairy industry—I am referring especially to Quebec and the eastern part of the province—but all the various farm products of the province of Quebec, in order that they too may benefit.

For many years western farmers have been benefiting from the advantages offered by the Canadian wheat board. Wheat is their main product, and we are glad for them. On the other hand, the time has come for us, in 1966, to be able to congratulate a Minister of Agriculture who will put before us an act for the setting up of an eastern farm products board.

I told the minister that I would be brief. I shall summarize, because I do not want to take up too much of the time of the house. The second item I wish to deal with is the dairy policy which guarantees a maximum price of $4 per cwt. excluding transportation costs, to all sectors.

• (4:40 p.m.)

Well, there is also a paragraph which must get the minister's attention. Because of the failure last year to add "excluding transportation costs", our Quebec farmers sustained a loss of 20 cents, 22 cents, 23 cents, 24 cents per cwt. of milk, when the government had just decreed a price of $3.50 per cwt. of milk. Therefore, when $4 is mentioned, let it be clear that that $4 will be paid in addition to transportation costs.

In fact, last year, it was realized that the farmer did not get $3.50 any more, but only $3.22, $3.21 and even $3.20, depending on transportation costs. I see the minister making notes. I know that he will take the necessary measures to ensure a fair treatment for all farmers. Some farmers will get $4, while others, not so well located from the transportation point of view, will not get it.

The third point, Mr. Chairman, deals with the Crop Insurance Act, in which we take a strong interest. The government expressed its desire to amend this act, and we are confident that it will be amended so as to allow Quebec farmers to have their share of the benefits of crop insurance which, up to now, has helped only western provinces. I am not blaming the western provinces. On the other hand, one would say that this act was created and intended for western farmers and with a view to western production. Now, in my opinion, this is the reason why this act cannot apply to all Quebec farmers. I did not have any discussion with the Quebec authorities to ascertain why they had not sought to have the benefits of the Crop Insurance Act extended to their farmers, but I think that the Quebec farmers were not included because of the shortcomings of the act.

I point out, at this time, that the act should be amended so as to include not only dairy production and grain, but all crops.

I remind the minister that the Quebec farmers are asking that all the crops be

included in that legislation and also that the indemnity for loss be set at 90 per cent, whatever the cause of the loss.

We know of several causes and, as mentioned a while ago by the hon. member for Timiskaming (Mr. Peters), we also learned last year about the rainmaking machines. At first, when we talked about rainmaking machines in the house, most hon. members thought it was funny; those who did not laugh refrained from doing so only because they felt a little sorry for us; others did not believe us at all. Today, all hon. members are convinced that such machines exist and have been operating full time for ten years during the summer. Consequently, it is easier for us today to ask the minister to do something about those rainmaking machines.

When I talk about rainmaking machines, I mean both kinds. As a matter of fact, there are the rainmaking machines on land. They are set up in forests, on farms, on farmers' plots. I am not asking you to legislate about those, because that matter comes under the jurisdiction of the provincial government. But with regard to the seeding of clouds by plane, the federal government must assume its responsibility. In that case, it is a matter of air pollution by plane. I do not know if the federal government can call on some legislation to deal severely with that case. It would have to be very harsh, because some companies would have us walk in swamps to serve bigger interests and not the people.

I previously mentioned in the house some of those interests, particularly the Quebec Hydro which has been letting rain fall on our heads for three years, because it must fill its Manic I, Manic II, Manic III, Manic IV, Manic V dams with 40 per cent of artificial rain. I say that the welfare of the people must come before financial interests, that the health of the people must come before financial health and that our government would do well to pass a law to control the seeding of clouds by plane.

I would also like to deal for a few minutes with the health of animals. Brucellosis has been endemic in our region for two or three years. Well, that epidemic carried away approximately a third of our dairy herds. The government did give the people some compensation but I believe that act is some 20 years old. It is no longer appropriate in view of the current price for stock. In fact, $140 is still given for a purebred dairy cow, whereas a farmer cannot buy one for less than $300; and $70 is given for a cross-breed.

[Mr. Gauthier.]

I am therefore humbly suggesting to the minister that the act be amended in order to give $100 for a cross-breed and at least $200 for a purebred dairy cow. It seems to me that would not be exaggerating at all, considering the farmer whose herd is being depleted by that disease. I have seen herds of 50 to 55 heads having to be completely done away with.

And so, if the government gives $200, and the farmer sells the meat of the animal for probably $100 to $125 to a slaughter-house, this will allow the farmer to get $300 and renew his herd without suffering heavy losses. On the other hand, because of all those changes, he will surely not be able to produce before five or six months and he will have to take a loss anyway.

• (4:50 p.m.)

There is also the question of the farmer's income tax and property taxes. I also want to bring this to the attention of the minister. I have always found it odd, for instance, that paper companies—I mention paper companies because I am more familiar with them—are exempted from the tax on stationary machinery while farm land is taxed to the hilt. This is absurd, because if there is anything stationary in the province of Quebec, and in the country as a whole, it is farm land. Before exempting those big companies from the machinery tax, farm land should be exempted, because, for the farmer, his land is definitely an instrument.

I do not consider the land so much as a real value for the farmer, because if his farm is productive, it is because he cultivates it. Let the farmer leave his farm, as occurs in 40 per cent of the farms in our area abandoned in the last 10, 15 or 20 years, and that farm loses all its value. It can actually be bought for $300 or $400, whereas when the farmer cultivated it, it was valued at $7,000 or $8,000. This shows that the land is only the farmer's tool and that it should be tax-exempt. Let the income be taxed, but stop taxing the landed property which is comparable to the heavy plant of big companies.

I now wish to say a few words about farm credit. If the minister studies the present Farm Credit Act, he will find that it is not at all consistent with the needs of our area.

I do not know what is wrong; I do not know whether this is due to the administrative staff or whether our area is different from the others, but our farmers have a hard time securing a loan under the Farm Credit

Act. I think the Minister of Agriculture should investigate.

I found out last year, one case among others, about a farmer, in a position to use easily from $40,000 to $45,000. He has nine lots under cultivation with the most up-to-date machinery. After fighting for a year, do you know how much he got? Ten thousand dollars. Ten thousand dollars were promised to him to build a barn in which milk cows could move about freely. He was given a loan of $10,000 but, a year later, he has yet to receive a cent. I do not know where the trouble lies or whether the federal government is to blame. I do not wish to accuse the minister, because he is new to his job and I know that he wants to improve his department. We saw less of his predecessor and I know that we will see this minister more often. The former minister was thanked by his fellow-citizens because they did not send him back but he was promoted to the Senate by the Liberals. I hope the present minister will start an inquiry. I do not know whether this depends on the government of the province of Quebec; I do not know what is wrong, but the loans that should be available cannot be obtained in our region.

Those underhand practices must cease. I say "underhand practices" because I hear too much talk on all sides; there is no smoke without fire.

I merely wish to draw to the minister's attention to the Farm Credit Act. If there is a change to be made, an amendment to be brought in, it should be done so that that act can finally be adapted to our area and to the province of Quebec, where farmers who have 300, 400, 600 or 800 acres of cultivated land cannot benefit from the advantages of the act as it now stands.

Once again, I should like to bring to the minister's attention the 25 cents premium per cwt. for the transportation of milk. At the present time, the act provides that the premium may be granted for a minimum production of 10,000 lbs. of producers' milk. I suggest that this is rather high as far as some Quebec producers are concerned. We have some who are producing consumer milk, fluid milk, and others manufacturing milk. They always ship the balance of their manufacturing milk and there are times when they do not have 10,000 lbs. of milk. So they lose the premium on that amount.

Those responsible for paying this premium called me some two or three hours ago to tell me that with 9,986 lbs. one could not obtain the subsidy. In my opinion, a slight adjustment to the act would allow all farmers to be treated as fairly as the milk producers.

All in all, those were the remarks I wanted to make, Mr. Chairman.

The member for Timiskaming (Mr. Peters) said a while ago that there was an agricultural crisis. That is quite true, but I feel it is mainly a crisis of adjustment. Quebec agriculture is going through a period of readjustment, and legislation will simply have to be passed to enable it to adapt itself to the new developments in the farming industry.

[*English*]

Mr. Olson: Mr. Chairman, I shall be very brief because I want to continue the co-operation that our party has shown in trying to get the estimates for 1965-66 through the committee as quickly as possible. I also know we will have an opportunity very soon, or at least I hope so, to question the Minister of Agriculture in the standing committee. At that time we will have an opportunity of discussing with him many of the policies and new programs which I hope he will be bringing in as government policy in keeping with some of the comments the minister made in his opening statement. I want to say also that I congratulate and commend the minister for what I regard as getting right to the nub of the problem in agriculture in that part of his opening statement wherein he suggested that the greatest problem in agriculture is the net income of farmers relative to the incomes of people in other sectors of our economy.

I should like the minister to know that we in this party will give him every co-operation in setting up new policies and programs that will achieve the very desirable end result about which he talked. I say to him as well that when he made his tour of western Canada in early January a number of the statements which the minister made, according to the press, were very well received by western farmers. I know there were some attempts to criticize him and other members of the cabinet after he arrived back in Ottawa in that perhaps he had been a little extreme in his criticism of the railroads with regard to their performance respecting the movement of grain.

I want the minister to know that we in this party support for the most part the criticism he made because we are convinced that here again he got right to the heart of the matter and put his finger on the real problem in so

far as the movement of grain in western Canada is concerned. I shall not go into that matter in great detail today because it was discussed yesterday and on a number of other occasions. But I certainly hope the minister will not be discouraged from pursuing the same line in the future in the interests of the grain producers on the prairies. I would say too, that I believe there was some immediate improvement after these statements were made by a responsible minister of the federal government.

• (5:00 p.m.)

I remember that when the minister made his "some turkey, some plucking" speech in the House of Commons he drew the attention of members to the fact there was an improvement from some 325 or 330 car unloadings in Vancouver per day to 600 per day. I think the Canadian Pacific particularly but the railways generally understand the language of federal ministers when they express their concern in this way. They understand that they need to make an additional effort. I commend the minister for that and, as I said, I hope he will not be discouraged from making other statements of this kind when he sees the need.

I say to the minister with respect to this matter that everyone can understand that during the very short time he was in western Canada he would not have had time to make a personal inspection of the problems and the bottlenecks in the movement of grain. Therefore I think what he was doing was listening to many responsible men in western Canada who are intimately involved in the movement of grain such as the Canadian Wheat Board, the leaders of the wheat pools, the line elevator companies, the heads of terminals and so on.

I believe what the minister was doing was engaging in the same kind of reflection and thinking as these very responsible men and I think this was a good thing. I hope the Minister of Transport and the Minister of Finance to some extent are unable to squelch that kind of attitude.

There are one or two questions I should like to ask the Minister of Agriculture because there is some apprehension in the country—perhaps "apprehension" is not the right word—some question in the minds of people about whether or not some of the policies commenced under his predecessor are going to be continued or if some of the plans which appeared to be under way are going to be carried forward into policies and programs.

One of the questions, is the almost complete reclassification of the various classes at exhibitions so far as prize money is concerned and what the new classes will be. I am not going to go into detail on that now but we would like to know if the present minister intends to carry forward these plans which appeared to be under way. As a matter of fact, there were some changes but all of the changes that were planned had not been made. I understand that there was a meeting in Ottawa within the last few days or the last week at which there was some further discussion. I should like to know what the plans are for the future.

One other thing we would like to know is whether or not the minister intends proceeding with plans to set up a fund from which exhibition corporations can borrow money on a long term basis for the purpose of constructing multiple purpose buildings. There are quite a number of exhibition companies across the country, including the Medicine Hat Exhibition and Stampede Company, who are particularly interested in this plan, and we are still waiting to see whether the federal government is going to set up this fund and make money available on a long term and perhaps low interest basis.

I do not want to keep the committee very long but I want to say to the minister that we in this party believe that the major problem facing Canadian agriculture and all of those who are engaged in it is that our whole price structure is too low and that some policies need to be evolved to improve the structure. We believe that this can probably best be done by an all-party committee that can go into some of these matters in the planning stages rather than always waiting until the government has considered these things and comes before the house with final plans completely worked out. I believe this can be done very effectively if all parties are less interested in who gets the political credit for the actual result of bringing these new policies into effect.

I commend the minister for pointing to this problem in his opening statement and also the hon. member for Kent (Ont.) who spoke and intimated—at least I took this to be so from what he said—that his party was willing to give the kind of co-operation necessary to work out policies so that the whole price structure can be raised. I know that the

Canadian Federation of Agriculture, for example, only a few days ago stated in its brief to the cabinet that even well established farmers are having problems in meeting the so-called cost squeeze. In other words, costs of operation are going up but the receipts are not going up accordingly. This is something that many of us who are well acquainted with agriculture in our constituencies have known for a very long time. Many well established farmers have come to me within the last few months, more than at any time in the past, complaining about the cost-price squeeze. Therefore anything that we in this party can do in co-operation with the government and other opposition parties which will change this situation we certainly intend to do. We believe that some very positive steps can and should be taken respecting a national sugar policy. We also believe that some steps ought to be taken to set up a two price policy for wheat. There seems to be some measure of support for this kind of a program in all corners of this house. We want to co-operate with the minister in completing a new dairy policy for Canada.

I believe that if any plan to raise the whole price structure for farmers is going to succeed it is also going to require some tariff amendments. I do not say that we need them for the purpose of restricting trade but we need some co-operation from the Department of Trade and Commerce and from the government, through instructions to the Tariff Board and so on, to insulate our own domestic markets from the influence of the prices of dumped or surplus products from other countries. This is particularly evident in the price of sugar, turkeys and lamb from time to time as well as potatoes and many other things. We have some legislation at the present time but it is not effective because some of the dumped or surplus products can and do in fact from time to time break down our whole price structure. They affect our whole price structure in a way that bears no relationship to supply and demand within Canada in so far as our own production is concerned.

Therefore it is not a matter of entering into a new round of tariff changes which would be designed to restrict trade but simply a case of protecting our own domestic producers in our own home markets. I think it is fair to say that many of the other countries in the so-called western world have already done this and there would be no problem by way of retaliatory action from other countries if we did the same thing in self-defence.

In closing I should also like to ask the minister to provide the house with a clearcut statement of policy respecting cost-shared emergency assistance programs in so far as the federal government is concerned. The minister has taken some criticism on the floor of the house respecting this matter during this session. As I said, I do not want to take a lot of time now but there are some provincial governments across the country, particularly Alberta in recent weeks, who seem to think, and I believe with some justification, that the federal government does not have a policy or at least does not have a policy that is consistent for all the provinces. We believe that there should be some statement so the provinces will know what to expect by way of response from the federal government.

We were under the impression for many months that at any time a province set up an emergency assistance program toward which it was prepared to pay 50 per cent of the cost the federal government would match that percentage. We believed this because it had been stated over and over again in the House of Commons by the former minister of agriculture and I think by the Prime Minister on more than one occasion. Therefore we think there is some discrimination on the part of the federal government as to which request it accepts and which it does not. I would ask the minister to provide us with a statement of policy and to apply that policy to all provinces on the same basis.

I am going to conclude my remarks with this very brief statement. I inform the minister that he can expect full co-operation from us in his determination to bring agricultural incomes into line with those in other sectors of our economy. He can also expect co-operation in the Standing Committee on Agriculture if he will come to that committee with his plans and discuss them before they become hard and fast government policy. So far as we are concerned we do not care whether the government or the opposition gets the political credit as long as we do something positive soon to meet the cost-price squeeze which at this time is hurting even well established farmers.

[*Translation*]

Mr. Latulippe: Mr. Chairman, I will not be long, for I have only a few remarks to make on agriculture.

Supply—Agriculture

Mr. Chairman, in view of the fact that the constituency which I represent is almost exclusively agricultural, I am of the opinion that if agriculture is to prosper, then we must see to it that it be given a framework within which it can endure. A framework must be established for agriculture and it is the government's responsibility to set it up.

I know that the matter of farming is of both provincial and federal jurisdiction, but I also know that the federal government has a large part in it.

When speaking about assisting apgriculture, the first thing to do is to establish budgets. I have examined the budget of the Department of Agriculture for the year 1965-66, which totals $121,815,100.

• (5:10 p.m.)

To distribute among the farmers their share of this budget, considering the cost of administration, we see that there is not much left for the farmer. Almost everything is spent on administration. It is a budget of $125 million, and I will tell you in a few moments how little is spent on agriculture itself.

For instance, if you look at the details of vote No. 1, you will see:

Civil salaries and wages, $54,461,200; Civil Allowances, $169,500; Professional and Special services, $2,607,700; Travelling and Removal expenses, $3,522,-100; Freight, Express and Cartage, $228,400; Postage, $124,800; Telephones, Telegrams and other Communications media, $458,600; Publication of Reports and other Material, $520,000; Exhibit Material, Advertising, Films, Radio and Displays, $150,400; Office Stationery, Supplies and Equipment, $1,276,-500; Materials and Supplies, $3,626,300; Construction or Acquisition of Buildings and Works, including lands, $31,602,000; Construction or Acquisition of Equipment, $2,698,900; Repairs and Upkeep, $932,-600; Rental, $97,700; Town Services, $1,019,400;

Therefore, Mr. Chairman, it cost nearly $100 million to distribute $121,815,100; there remains $15 million for agricultural purposes.

Can agriculture really be assisted, with such an administration? The minister will have to look into the cost of administration. The trouble, in all this, is administration. The cost of administration is tremendous. If it cost $100 million to distribute $15 million, I say to the Minister of Agriculture—I know very well that it is not his fault because he has not always been there—that it is his responsibility to correct this anomaly in administration.

If it is going to cost $100 million to distribute $14 million to the farmers, I think that other ways would cost much less. Right now, it does not make sense.

[Mr. Latulippe.]

If agriculture is going to be organized, money must first be distributed to farmers.

In my riding, for instance, 60 per cent of farm loans are turned down; all those who ask for $5,000, $10,000, $8,000, $4,000, cannot obtain them; all are refused. Many loans of $15,000, $18,000, $20,000, are also refused.

There is no money left to help the farmer; all is spent on administration.

When agricultural reform is mentioned, we are referred to ARDA which covers another area. ARDA was supposed to solve every problem, but ARDA has not solved anything up to now. If I had the figures with me on ARDA administration, you would be surprised at the cost of administering this organization from which farmers hardly get any benefit.

• (5:20 p.m.)

We are being told that in the province of Quebec, the farm income is 30 per cent lower than in other provinces. This is ridiculous. Steps will have to be taken by all means so that farmers may take advantage of their production or derive a profit from it. The farmer would not need the government so much if he had an income, but he has not. He manufactures for less than the cost price and he is not the one who prices his products. Most of the time, when he has a product to sell, its price is established by other organizations beyond his control.

With regard to feed grain, I must say that I have been sitting in the house for three years and during this period, farmers have been submitting briefs to us and asking us to see to it that they obtain feed grain at a reasonable price. The price of feed grain is too high; the implementation of the program is too costly. The farmer does not benefit from it, because he pays too much for the feed grain he needs.

They recently presented a brief in which they request the setting up of an eastern feed board and ask the minister if anything has been done in that respect. I do not know if it will do any good. If the administration costs are as high as in all the other departments, it will not be worth anything. On the other hand, if costs are kept down to a minimum, it might be useful to the farmer.

In their brief, the farmers also say that Canada will be short 500 million pounds of milk this year.

Farmers are giving up the land and dairy herds because there is no money in it. They are asking for a cost price of $4 per cwt. of industrial milk.

When we ask questions in the house, we are told to put them on the order paper, because they are of a general character. Therefore, today I will ask the Minister of Agriculture a question. Is he willing to see to it that the farmers will get the price they are asking for, that is $4 per cwt., to allow them to make a small profit, to encourage them and to enable them to meet their needs?

I would like to deal with all kinds of things, but I do not want to take too much time.

With regard to the cost of machinery, farmers are complaining that it is too expensive, that there are too many taxes on machinery. I ask the Minister of Agriculture to consult with his colleagues, especially the Minister of Finance (Mr. Sharp), to see if a way can be found to manufacture farm machinery cheaply. The first thing to do is to remove all taxes on that machinery.

The government should also be asked for subsidies to help the farmers. If it really wants to do something for the farmers, it should grant subsidies on farm machinery. It would cost less to finance farm machinery than defence equipment. A tank costs a million dollars, if not more. With the price of a tank, several pieces of farm equipment and tractors could be manufactured; they would help agriculture and be useful. It would be much less expensive for the government to manufacture farm machinery than cannons, tanks or war equipment which will never serve.

If we want to fight poverty, we must not forget that poverty prevails in farming. If we make farming prosperous, all the other classes of society, as well as the country's economy in general, will be prosperous. The farmer is the greatest consumer in Canada. He buys all sorts of things and has varied needs . The farmer is an important factor—the most important one—of Canadian industry. Let agriculture prosper and so will Canada's economy.

The Minister of Agriculture should press the Minister of Finance to abolish the famous 11 per cent tax on the farmer's building materials. Farmers are always building. They need all sorts of buildings. They build "terrible" buildings, and this tax is put on their building materials. The farmers are in a state of stagnation. Let the necessary pressures be applied in order to abolish this famous 11 per cent tax.

Mr. Chairman, I could say a lot more. For example, I mentioned earlier the agricultural loans which are refused. There is much to be done in this respect. Inquiries must be made. That would not be difficult because the farm loan board does not have too many offices in the province of Quebec and in Canada. The minister has only to ask those officers if he wants to find out the percentage of loans that were refused.

There are many farmers who, thanks to a small loan of $5,000, $6,000 or $10,000, could buy more land, improve their farm buildings and remain there for quite a while yet. But they abandon their farms because they are refused such a loan.

In the last five years, 60 per cent of the farms have been abandoned in a certain part of my riding. Every day, those who remain are like the bird in the tree. They want to go because they are not making any money. It does not pay.

We expect a lot from the minister. We realize he is new at the job, but we know he is eager to help. I wish to congratulate him and thank him for the interest and goodwill he has shown towards the farm people. I am sure he will do his duty and provide agriculture with services that will really help the farmer while promoting the growth of the farming industry.

• (5:30 p.m.)

Mr. Vincent: Mr. Chairman, I should like to take this first opportunity to offer my most sincere congratulations to the new Minister of Agriculture (Mr. Greene) on his appointment. As he has found, we, on this side of the house, have no objection to the Minister of Agriculture coming from either the east or the west, from the province of Quebec or the Maritimes. What we want is a Minister of Agriculture who keeps his eyes open, cocks his ears and is ready to accept suggestions from members of rural constituencies in this house.

Therefore, we are proud to have, at the head of the Department of Agriculture, a minister from the east, but I should like at the same time to tell the Minister of Agriculture to ask his colleagues, particularly some of them, not to indulge in partisan politics and not to place too much reliance of the fact that we have an eastern Minister of Agriculture who speaks French—I congratulate the Minister on this—in order to believe

that they will win the support of all the farmers in eastern Canada.

I do not want to refer in any way to certain words of the hon. member for Lotbinière (Mr. Choquette). It is not enough to have a Minister of Agriculture from the east who speaks French, we also need a Minister of Agriculture who can take in hand the future of agriculture in Canada.

The Minister of Agriculture told us some moments ago, at the start of his few remarks, that we must rejoice for the good prices of farm products in Canada. In this connection, I will simply tell him that, as far as the dairy industry is concerned, this is not the opinion of dairy producers and that, as far as wheat producers are concerned, they do not share his opinion, for they suffered a price reduction recently.

The minister should not start making statements that prices are good and that problems are going to be settled. I would not like the present minister to go along the lines of his predecessor, who stated that, with six cows and two hogs, a farmer could earn an annual income of $2,400 and that that was enough.

Mr. Choquette: He did not say that.

Mr. Vincent: Mr. Chairman, I was precisely expecting the intervention of the hon. member for Lotbinière. I have here some statements of the former Minister of Agriculture and of the hon. member for Lotbinière, but I will have another opportunity to quote them, for I do not think we have time this afternoon to place, on the official report, statements which have actually been made a year or two ago.

The minister told the house a few moments ago—and we are ready to repeat it ourselves —that we were going to give him our co-operation in putting through legislation very advantageous for Canadian farmers. He is already assured of our co-operation now, and we are also going to ask him for his, because if we take a look at the order paper, we find that there is nothing about agriculture or his department.

I would like to talk about some priorities, including the setting up of a Canadian dairy commission, the setting up of a livestock feed agency for eastern Canada and the crop insurance program which will complete the present one.

There is no resolution on today's order paper and I would ask the minister, at least as far as his department is concerned, to table his resolutions as soon as possible, to enable us to advise him, and also to elaborate that policy without delay.

With regard to feed grain, I will have the opportunity to come back to that when we study the resolution of the Minister of Forestry (Mr. Sauvé). For months now, even years, the Minister of Forestry has been talking about a feed grain agency and I admit that I am beginning to question his sincerity. I have kept a rather extensive record of his statements, in the house and outside, and I hope to be able very soon to ask him many questions on that subject.

With regard to the new dairy policy which is to become effective within a few days, that is next April 1, I would like the minister to tell us when he intends to announce it. I have here the dates of the announcements made about the dairy policy since April 1958, and I think that the last day on which the minister could announce the new program for the dairy year which will start next April 1, would be March 10, that is 20 days before the start of the new dairy year which was put forward a month last year.

I would also like to ask the minister to tell us immediately if he intends, under the new program he will announce, to guarantee a minimum price of $4 a cwt. for industrial milk.

You know, Mr. Chairman, that the dairy industry in eastern Canada is of vital importance not only to the farm economy throughout the country but also to the eastern farmers' income which is already too low.

The minister must do all he can so that the new dairy program will set a minimum price of $4 per cwt. of milk.

I would also like to ask the minister if he consulted with representatives of the dairy producers with regard to the elaboration of that program, if it is not too late. I would ask the minister to do so because it would allow him to find out what the milk producers' views are before bringing in the new program, and to avoid the unpleasantness which occurred last year or two years ago when his predecessor brought in a program which was criticized by almost all Canadian milk producers.

Finally, as it will probably be impossible for the Committee on agriculture, forestry and rural development to study this new policy, I would ask the minister to allow hon. members to meet him informally to express their views on this dairy program.

Mr. Chairman, before resuming my seat, I should like to say a few words about the Canadian dairy commission. Last year, the Minister of Agriculture announced that the Canadian government would, at the first opportunity—this was on March 26, 1965—introduce a bill to establish a Canadian dairy commission. According to the minister, the commission would work in co-operation with the provinces and look after general relations between the government and the dairy industry.

Mr. Chairman, that was on March 26, 1965, and the government was then getting the bill ready for early presentation; this is March 2, 1966, and it has not been introduced yet.

Questions are being raised and I shall put them myself to the minister. Will this Canadian dairy commission to be able to ensure to milk producers a uniform price for milk? In other words, will the milk producer who has no possibility whatsoever to make cheese, powdered milk or butter with his milk, be able to obtain the same price as the one who ships his milk to another factory? This is very important. Whether it be a producer who ships his milk to a cheese factory, a butter factory or a processing plant, or a farmer who manufactures milk powder, skim milk or casein, I feel that such farmer should be paid the same price as the other farmers in his area.

So, I ask the minister: Will the Canadian dairy commission ensure that all milk producers in Canada will receive a uniform price?

My second question: Will the Canadian dairy commission exert a deep influence on milk quality?

I have only a few words to say on this, Mr. Chairman. You have, for instance, a farmer who ships his milk and does all he can to have a clean and excellent milk production. If his neighbour or second neighbour produces an inferior milk, the price of this good farmer will decrease because his neighbour or second neighbour produces milk of an inferior quality.

Will the proposed Canadian dairy commission try to diversify production as much as possible all year round to encourage farmers to produce more milk during the winter months? That is very important for the future of the Canadian dairy industry.

Fourth question: Will the commission definitively deal with this question of milk transportation?

In my province, as I believe is the case in other provinces in Canada, milk is widely transported.

• (5:40 p.m.)

There is milk that is carried 100, 200 and 300 miles every day. In the province of Quebec, you have milk which leaves Sherbrooke to be sold in Montreal and from there it goes to Trois-Rivières and then on to Quebec city. Milk goes from one place to another just like that and who is paying? Once again, it is the farmer.

The Canadian dairy commission will have to co-ordinate milk transportation to ensure that the producer will get the highest possible income and that 25 or 35 cents per cwt. will not be spent for nothing.

Fifth question regarding the Canadian dairy commission: Will it make a lot of publicity to promote dairy product consumption?

Sixth question: Will the commission deal with dairy product exports?

In 1900, 1901 and 1902, Canada exported more than 100 million pounds of cheese annually to England, and the minister can check these figures if he wants to. Today, Canada is producing about 130 million pounds of cheese and exports only 30 million pounds. Now, cheese really sells at a good price in England.

Seventh question: Will the Canadian dairy commission have a part to play in the importation of milk products in Canada, such as the cheese being imported at present, and also in the case of butter which will eventually have to be imported within a few months or a year, because butter will probably be scarce in Canada?

Those are questions which we are asking and to which we should like to get answers.

We should like to know whether the Canadian dairy commission will try to find answers to those seven specific questions I have raised.

Mr. Chairman, I shall now conclude my remarks by reminding the minister that the dairy industry is of the greatest importance to eastern farmers. It is imperative, this year, that we get for our dairy producers, who are insisting upon it—and it is only normal—a minimum price of $4 per cwt. for all industrial milk.

Mr. Choquette: Mr. Chairman, I feel I must rise after the hon. member for the constituency next to mine, because we represent the

two most beautiful rural ridings in the province of Quebec. I do not wish to quarrel with the hon. member—

[*English*]

The Chairman: Order, please. Is the hon. gentleman rising to ask a question?

Mr. Choquette: No, Mr. Chairman; I am just making a short speech. I should like to ask a very short question of the minister.

Mr. Churchill: What is this? A filibuster?

[*Translation*]

Mr. Choquette: Mr. Chairman, I was simply saying I did not wish to disagree with the hon. member for Nicolet-Yamaska. I always enjoy talking about farming and I would suggest that we have a televised discussion to settle this controversy that has been going on between us for three years—station 13 would be an ideal place.

Here is my question to the Minister of Agriculture, Mr. Chairman, because I am anxious about crop insurance. Thus, I will show the hon. member for Nicolet-Yamaska that I can look quite objectively at my government's policy.

One thing worries me with regard to the famous Crop Insurance Act. I put a question to the Minister the other day, arising out of the federal-provincial consultations at the civil servant level. As we know, at the time the problem which seemed ticklish for Quebec provincial authorities was this one: would fodder production, or what is still commonly known as field-crops be covered by the new provisions of the Crop Insurance Act so that Quebec farmers might be able to benefit from it?

But I see things seem to drag, and the Quebec Minister of Agriculture does not have much to say. I should like to know if arrangements are being made, if consultations are being held with the Quebec authorities so that we might keep our promise to our electors, to the effect that we would implement a Crop Insurance Act for the benefit of the farmers of the province of Quebec.

I am simply letting the minister know about my anxiety in this connection, and I would like to know if there is any progress.

[*English*]

Mr. Herridge: Mr. Chairman, I am going to speak for only two or three minutes because I know all parties in the house want to see these estimates completed as soon as possible.

[Mr. Choquette.]

I am also a member of the Committee on Agriculture, Forestry, and Rural Development and will have plenty of opportunity to ask questions later. I should like to congratulate the minister on his appointment. We are all looking forward hopefully to his administration of the department because we believe his heart is in the right place and we think that with experience he will know what the farmers of this country want.

I also should like to congratulate the Parliamentary Secretary who is an alumnus of the same college I attended. In addition I should like to congratulate the officials of the department. When I look at the row of handsome officials I am reminded of pigeons sitting on a hemlock bough, but they carry on a very important work which is largely unrecognized by the daily press of this country, although they do recognize the divorces of movie stars and things of that sort. The officials of the department do very important work in the administration of our economy. When I look at them I am inclined to think of two lines from Gray's "Elegy In A Country Churchyard":

> Full many a flower is born to blush unseen,
> And waste its sweetness on the desert air.

The Canadian Federation of Agriculture, the farm unions, the British Columbia Fruit Growers Federation and other agricultural producers have presented their briefs to the government and in most cases to the various caucuses of the parties of this house. I will not deal with them at this time. As I see it, we have immediate problems and long term problems. I would say the immediate problems which the committee has to study first of all are the questions of farm costs, farm taxes, the cost of farm machinery, manpower policy with regard to farm production, the application of unemployment insurance to the agricultural industry, and crop insurance. Those, I think, are the immediate problems that will be facing the agricultural committee.

The long term problems are research with regard to an inventory of our soil and water resources, because we know that food is a major concern of all the people in the world today, research with regard to diseases and pests and biological control of pests, and research with regard to an economic survey of our national and international needs so far as food is concerned. Out of the considerations of the committee and the agricultural organizations and the contributions made by members of the house I hope the government

will then be able to evolve a logical, long term agricultural policy.

With those few remarks I will resume my seat in the hope that the committee will have an opportunity to inquire into the important questions I have just mentioned.

Mr. Patterson: Mr. Chairman, at this time I would ask only that the minister in his closing remarks make reference to one particular matter raised by my colleague from Medicine Hat, namely, loans or grants to agricultural fairs. The minister knows I raised this matter on another occasion and also attempted to put a question the other day which was ruled out of order. We are particularly concerned about this matter. A meeting was held last week and I should like the minister to make reference to that meeting and the results which we may expect to flow from those discussions.

Mr. Greene: Mr. Chairman, if I might answer that question since it has been asked by two or three members, I might say that, as the hon. member knows, I was anxious to see what the breeders association and the exhibitors and exhibition associations felt both in respect of the livestock prize program and the policy regarding loans and grants. Accordingly we invited the interested parties here for a meeting last week. At this meeting we had a full day's discussion with regard to these programs.

With regard to loans and grants I do not think I would be out of place in giving the gist of the discussions. Hon. members will be pleased to know that a great number of these gentlemen who came to this meeting from all over Canada were in favour of both loans and grants and were not going to turn down either if they were available. This is the general view. I can only say with regard to our own local program that there has been no change in respect of the government's position in this regard.

• (5:50 p.m.)

When the loan bill is ready it will be presented to the house, but it will show no change in policy. Since I took office there has been no change in policy in regard to long term loans for multipurposes. I think that is what the hon. gentleman was interested in. When legislation comes before the house in due course there will be ample opportunity to discuss these ramifications at that time.

In regard to grants under the prior program, and the maximum of $100,000 on a 50-50 basis, as hon. members know this program was curtailed under the austerity measures of 1962. It has never been revived and up to the present time the government has nothing further to announce. The re-establishment of this program is being reviewed and I will certainly bring the views of the representatives at our meeting last week to the attention of my colleagues. Those views were in favour of the reinstatement of the program, in its two aspects. First, there were the representations of those who have not yet received a grant under this program and, second, the representations of those who had received a grant but want another bite at the program if and when it is reinstated.

I do not think there is anything further to announce with regard to whether the program will be reinstated. I want to be perfectly honest with the committee in this regard. As the committee knows, the reinstitution of such a program would affect the government's general spending plans in the area of construction. As hon. members know, there are inflationary pressures upon our economy and programs of this kind particularly geared to construction may have to be considered in the light of the general economy of the whole country. With that exception the loans program has not been changed in any way and the question of reinstating grants for construction is under current review by the cabinet.

Mr. Nesbitt: Mr. Chairman, I see that it is nearly six o'clock and I realize that there is a desire to put these estimates through. I had some extended remarks I wished to make on this occasion but I have cut them down considerably. I will speak in greater detail on another occasion. I would not even make these brief remarks except for one thing and that is the situation facing dairy farmers in the province of Ontario.

I know the minister is very sympathetic to this subject and I am sure he will do what he can to influence his colleagues to take some action. Putting it very briefly and bluntly, the dairy farmers of Ontario must in some way or other be guaranteed a minimum of $4 per hundred pounds for their milk regardless of where that milk goes. This is essential because the income of all other groups in the community, including labour, management, service jobs and the professions, has gone up. I know that some of the government members from Toronto and Montreal will suggest that they are paying more for milk and that

may be true, but it is the large dairies such as Bordens and others which are receiving the extra amount of money rather than the dairy farmers.

Another popular misconception is that the farmers who have fluid milk contracts—for the benefit of city members, that refers to milk used for drinking—receive $5 per hundred pounds of milk. That is true in respect of the amount of milk they sell for fluid purposes but for much of their milk they receive only about $2.60 per hundred pounds because the amount of milk produced over and above their fluid contracts goes for manufacturing purposes.

There is one other thing I should like to say for the record. As has been pointed out in some newspapers, farm income for 1963 was up 13 per cent. That is true, if statistics can prove anything, but not true in respect of all farmers. I may say that statistics would indicate that the income of farmers on the prairies has increased 30.5 per cent. That is fine and we are all delighted to see that the people in the west are doing so well because in past years they had the tough end of the stick, but so far as Ontario farmers are concerned their income in 1964 was down 7.1 per cent from 1963. I think if we remove specialized crops from that figure, such as tobacco and fruits, we will find that the income of the Ontario dairy farmer was down even more than 7.1 per cent.

It is up to any government to make sure that the various groups in our society get their fair share of our buoyant prosperity, but the dairy farmers are not receiving their share. In fact, they are losing money. In this regard I am sure the minister is aware of a most dangerous situation, namely, that dairy farmers are giving up, selling their herds and getting off the farms altogether because they cannot make ends meet. Unless something is done soon—perhaps deficiency payments may be the best answer—to increase to $4 per hundred pounds of milk the price paid to Ontario dairy farmers, there will develop a serious situation. I think something in this regard must be done by the minister, his colleagues and his administrative staff as soon as possible.

Mr. Brewin: Mr. Chairman, the point I have to make can be made very briefly. On March 31 of last year this house, or its predecessor, ordered the production of papers dealing with matters between the agricultural stabilization board and W. J. Lafave and Sons Limited of Montreal. This return was never made. On June 22 of last year I wrote the minister's predecessor but received no answer. I inquired of the parliamentary returns office, but despite the order of this house these documents have not been filed. I gave the minister plenty of time to get accustomed to his work and I wrote him on February 11 asking him to look into this matter. I now ask him again to look into it personally to find out why these papers have not been produced as the house ordered. I assure him that if they are not produced fairly soon my suspicions will begin to grow.

Item agreed to.

Production and marketing—

15. Administration, operation and maintenance including the administration of the Agricultural Stabilization Act, contributions to assist in the marketing of agricultural products subject to the approval of Treasury Board and payment of expenses not exceeding $100,000 for a travelling Canadian livestock and seed exhibition outside Canada, $2,110,100.

Mr. Baldwin: I understand this is the vote having to do with the P.F.A.A. and that is what I wish to discuss. Perhaps I could do so under item 35 which deals with grants and subsidies, if the minister will not take exception to that. I am prepared to defer my remarks until we reach that item on the understanding that the minister will not object at that time.

Mr. Peters: Mr. Chairman, we have asked the minister a number of questions which I think should be answered. I want to know what the minister's intention is in regard to several matters and I do not think it is sufficient to say that next year's estimates will be referred to the committee on agriculture. It is important to know what the minister intends will be the work of that committee. One of the major problems brought to our attention by farm organizations is that relating to the establishment of national marketing agencies, particularly in respect of products where surpluses are apt to develop and have developed. This raises the whole question of the Agricultural Stabilization Act and the government's intention.

• (6:00 p.m.)

I also want to know specifically why the government objected to the proposal put forward the other day by the hon. member for Humboldt-Melfort-Tisdale in respect of regional payments. The hon. member named two commodities, hogs and eggs, with regard to which regional stabilization payments should be made on a district and also an area

basis. This would benefit these producers and would fit into a national marketing policy to solve these problems. There is already quite a problem developing in the dairy industry of Ontario which has received some consideration through the establishment of a dairy commission. I would imagine this is a forerunner of trying to establish a price of $4 for milk in Ontario which if it is not matched by and related to other provinces will cause a considerable displacement in terms of the marketing of products.

These problems have been raised over the years and have not received any consideration. I personally, and I think most members of the house will agree with me, am not as interested in having the estimates go before the committee as in having the minister make a decision with regard to what he wants the committee to do. We should have some foreknowledge in this respect.

Mr. Greene: Mr. Chairman, I think I should briefly answer the hon. member in this regard. In so far as national marketing policies are concerned, in the short time I have been with the department I have found it to be one of the areas of very grave difficulty because, as the hon. member knows, the Privy Council in the 1930's decided that agricultural marketing was a provincial and not a federal matter. I think that in the east in particular farmers are very much taken with the example of the wheat board and feel that if they could market on a national basis in a manner analogous to what the wheat board has been able to do for the western wheat producer, their marketing procedures would be more effective and beneficial.

Bearing in mind the constitutional difficulties, I am very hopeful that the approach of a national dairy commission, which I think will be a successful advent in regard to marketing in this area, will lead to a solution of this problem. This can only be done in conjunction with provincial agencies such as the Ontario Milk Marketing Board which was set up last fall. As the hon. member may have noticed, in the speech from the throne in the province of Quebec it was announced that they are going to set up a provincial milk marketing board.

It would be my hope that this general pattern of provincial boards working in conjunction with and under the aegis of a federal board could achieve all the benefits of national marketing. But there would have to be a provincial-federal meeting of minds in this area before it could become possible. I am very hopeful that in the dairy industry we will be able to achieve this and that a national dairy commission working in conjunction with provincial marketing agencies will set the pattern for national marketing to which I believe my hon. friend is referring. It may be that if this pattern is successful it could well be continued in other spheres and areas of agricultural products to give the agricultural producer the kind of stability and certainty of price that he needs if he is to be able to afford to form the sort of economically viable unit which will be productive and rewarding in the future.

With respect to the committee's consideration in these areas I think, with respect, it would be presumptuous of me to tell the committee what to do, what studies to make or the areas in which they should involve themselves. I can only assure the hon. member and the committee that certainly I and my officials will be only too pleased to appear before the committee and discuss any of these matters that the committee wishes to discuss, subject always to the rules which prevent our disclosing legislation that is in the mill. I may say that I hope to have some of these items on the order paper in the not too distant future. If there is one thing I have learned in a very short time it is that if the wheels of justice grind exceeding slow, so do the wheels of legislation.

Mr. Baldwin: You have not got Spencer though as the Department of Justice has.

Mr. Greene: We may have legislation in mind and announce it on the election platform as being party policy but it still takes a great deal of administrative work to get the bills ready, through the Department of Justice and so on and present them on the order paper for the consideration of hon. members. I can assure the committee that I will push these measures that are in the mill in the agricultural area to the best of my ability and hope they will be before the house in short order so that members may consider the bills in committee. At that time they will be open for suggestion and consideration.

Mr. Vincent: Mr. Chairman, may I direct a brief question to the minister? Is the minister in a position today to tell us when he thinks he will be able to announce the new dairy program?

Mr. Greene: Mr. Chairman, as the hon. member has very properly pointed out, the time is rapidly drawing nigh. He rather

frightened me when he mentioned the date of March 10. I do not know whether it is essential or possible to have the program announced by that date but certainly it will have to be announced very shortly. I might point out that one of the difficulties timewise with regard to an approach such as I outlined earlier with respect to a national dairy commission and a national dairy policy working through and in co-operation and conjunction with these provincial agencies is the length of time necessary for negotiation and discussion with the various provincial agencies, which slows down the wheels of progress to some degree. It may be this is one of the reasons we have not yet been able to announce the policy. I can only say to my hon. friend that I certainly hope to place it before the house very shortly.

Mr. Vincent: I have just one other question, Mr. Chairman. Is the minister in a position to tell us today whether he can give us any hope that this program will be directed at ensuring a price of $4 for milk, or more if he thinks this would be better?

Mr. Greene: I can only give my hon. friend the assurance that I will do my very utmost with any humble abilities I may have to persuade my colleagues in the government to do what is in the best interests of the farmers.

Mr. Coates: On the same point, Mr. Chairman, I should like to suggest to the Minister of Agriculture that we in this parliament, as in the previous parliament, have listened for a long period of time to the government telling us that the legislation is ready and there were no problems at all. We went through two election campaigns discussing these subjects. There is no problem apparently except that when we pick up the order paper we find there is nothing there. The minister says that perhaps March 10 is too early to expect to have this legislation on the order paper. I do not know why it should be too early. It was supposed to be ready for the order paper in the last parliament. If the minister envisages some new concepts which should be included in the legislation and which the previous minister did not envisage, I can understand some further slight delay being necessary.

Mr. Greene: I do not think the dairy policy requires legislation; it can be announced. I believe this is what the hon. member for Nicolet-Yamaska was referring to when he mentioned the date March 10. It will not require legislation.

[Mr. Greene.]

Mr. Coates: In so far as legislative items are concerned, what is the reason for the delay in putting them on the order paper? If they are not put on the order paper they cannot be passed by parliament. The matter that concerns me more, however, is that we are told we will have banking legislation and railway legislation and the ministers involved in those matters are quite senior to my good friend. I realize the minister has a great deal of persuasive ability. I hope this ability is effective and he is able to get his agricultural legislation before the house. He will certainly receive the co-operation of this party if he places it before the house so we may take some action in regard to it.

• (6:10 p.m.)

In order to give the minister an example, if he is not already aware of it I should like to quote from the Halifax *Chronicle-Herald* of February 28 in which this statement is made:

> Cash farm income in Nova Scotia for the fiscal year ending March 31, 1965 dropped below the previous year's total, but was on the road to recovery.

This is a quotation from the annual report of the marketing branch of the department of agriculture of that province. This is a sad state of affairs when you find your province going backward in the field of agriculture and when you are told that everything else is going forward. Certainly one of the reasons for the situation is the fact that we have not had the kind of legislation which we had ready in 1962 and which your party prevented us from bringing into effect because they were more interested in going to the people than they were in legislation that would be of assistance to the people.

Something has to be done to eliminate the backward trend in agriculture in Nova Scotia. I am sure the minister appreciates that the government of Nova Scotia, the Department of Agriculture and ARDA are doing everything they possibly can to put agriculture on the right track. I have been told that in so far as the ARDA legislation is concerned Nova Scotia has taken greater advantage of the benefits available from that legislation than any other province in Canada. They are doing everything they can within the confines of their financial resources. However, what we depend on most in Nova Scotia is the right kind of policies coming forward from Ottawa. Surely the situation indicates that the legislation which was envisaged in the Speech from the Throne in this parliament, in the previous parliament and by our

party in the parliament previous to that is the kind of legislation that will get us out of our difficulties. I ask the Minister of Agriculture not to let his senior colleagues push him around. He comes from one of the areas in Canada that badly need this legislation. If we hope to give farmers an opportunity to progress the way they should along with other sectors of the economy of this country, then we have to have this legislation and we have to have it very soon.

Mr. Hales: I just have a friendly reminder for the Minister of Agriculture. I understand that this week end he is going to attend a ministerial conference with his counterpart in the United States. I hope he is prepared to put up a good argument against the ridiculous quota of 600,000 pounds of cheese allowed entry into the United States while the United States is permitted to ship unlimited quantities into Canada.

Mr. Loney: I should like to ask the minister under this item why there is such confusion in connection with stabilization payments to dairy producers. I think the minister is well aware of the fact that it is almost one year since this policy was announced, March 26, 1965 to be exact. In that announcement the minister stated that complete details of the program were being developed by the Agricultural Stabilization Board and would be made known to producers and the trade at the appropriate time.

Representations have been made to me in the past year to the effect that this has proven to be wrong. There was another announcement on June 4, 1965, which stated that claim forms for supplementary payments provided under the new interim dairy policy were being mailed the week of June 4 to some 200,000 registered shippers of manufactured milk and cream. I should like to draw to the minister's attention that even at this stage some dairy producers in my riding have not received their application forms, let alone their payments. This same announcement said the claim forms should be mailed by July 31 to ensure consideration. If there are dairy producers who have not yet received their application forms I would ask the minister to take this into consideration.

On August 30, 1965 the minister announced that the first cheques for supplementary payments to farmers under the new federal policy had been mailed. It was stated also that approximately 205,000 of these claims were being settled at the rate of 1,000 claims per day. I know there is an awareness within the department that in many cases the dairy producer misunderstands or misinterprets the instructions but surely something can be done to rectify this situation and to ensure that simple instructions will go out to the producer and to the buyer of his product.

There is another situation I should like to bring to the minister's attention under this item and that is the fact that when this program was instigated many of the buyers began making subsidy payments to the producers. They continued this for several months until they made application to the stabilization board for reimbursement cheques. At that time they found that some producers to whom they had been making these payments were not fully accredited; they were not yet registered. In some cases repayment was asked of the buyer or the amount was deducted from the buyer's next cheque. In some cases the payment was refused. I asked the minister to give some consideration to reimbursing these buyers of dairy products so they will not have to bear the loss which in the case of one creamery amounted to roughly $900.

In fairness to the officials of the stabilization board I must say they are making some effort to rectify this situation. However, I did wish to bring this to the minister's attention at this time. A moment ago I said there were many dairy producers within the riding I represent who have not received their stabilization payment. Again, in fairness to the officials of the department, may I say that where representations have been made every effort possible has been made by these officials to rectify the situation.

I referred initially to the delay and confusion but I should like the minister to bear in mind that I am still receiving letters. I will not take the time of the committee to quote from these letters. I was receiving them as far back as September, October and November. Here is one letter dated November 24, 1965, which is typical. The writer says he has not yet received any supplementary payment from the stabilization board. He goes on to ask me to make representations. In this case I did. I understand the stabilization payment has now been received but it took about six weeks.

Here is a letter dated December 17 in which it is stated the producer wrote to the stabilization board three weeks ago and has not yet received an answer. I have many

more letters like these. Then we come to 1966, January and February. Here is a letter which I should like to bring to the Minister's attention dated February 27. Reference is made to the fact that an application for a stabilization payment was made in July, 1965, but no payment has been received even though the producer has written twice to the data office. These are some of the situations which have arisen and I ask the minister to take this matter under consideration to see what he can do to rectify it.

• (6:20 p.m.)

Mr. Moore: Mr. Chairman, before I mention my question I should like to support what the hon. member for Bruce has said about delay and confusion. I believe this exists in all areas of Canada. I must say that we get letters every day of the week asking, where is my money? Many of these people say that they wrote to the Department of Agriculture some time ago but did not receive a reply.

My question to the minister deals with the stabilization price of hogs. The present guaranteed price of hogs, I understand, is $23.65 a hundredweight for A hogs at Toronto. This is out of line with the present price of hogs which is close to 40 cents a pound at this time. You might say that because of that there is no problem, but why have a stabilization price if it does not protect the hog producer? The cost of production makes the present stabilization price of $23.65 seem rather ridiculous. I think the minister should take another look at this problem and consider a price of say 29 cents. If market prices ever went down as low as $23.65 for A hogs at Toronto the hog producers would be forced out of business.

Mr. Peters: Mr. Chairman, in his reply to me the minister indicated that he could not direct the committee as to what they should discuss. My understanding is that the government does do this. It is they who move matters for consideration by the committee. I had hoped the minister would say that he was willing to put some of these matters before the committee rather than just the estimates. As I see it, the committee would not be able to go into all these matters on its own, but if the minister would refer some of these problems to the committee the committee would be seized of them. Some of the specific problems are the dairy industry and farm machinery prices, and I am sure the minister is also concerned about crop insurance.

The second matter referred to by the minister was marketing legislation. In the past provision has been made under the stabilization act to dispose on a national basis of products bought by the government when their price dropped below a certain level. Things accumulated and the government dumped them or disposed of them.

Very shortly the dairy industry will have discussions with the province of Ontario and the province of Quebec in relation to butter, cheese, fluid milk and other dairy products. If this matter could be referred to the committee and an over-all policy decided upon from the point of view of the federal government, then the difficulty of bringing together the two provincial governments, would not seem a very large one.

I hope, though I will not press the matter at this late hour, that the minister and the department will set forth some of the problems which they are willing to ask the cooperation of the members of the committee to solve. These items could fall into three basic categories, namely, the marketing of dairy products, farm machinery prices and security of farm prices. I suggest that the minister has more responsibility in this regard than he may have assumed. The committee does not decide what it wants to do. The house puts before the committee what it wishes it to do and in the final analysis I believe the minister would be the one to give leadership in this field.

Mr. Nasserden: May I ask the minister whether the stabilization act will be brought before the committee this year? Last year I brought this question up on a number of occasions but the minister and the government gave us the run around each time.

This act has been in operation now for a number of years. When it was brought forward in the first instance the thought of the government at the time was that it was not perfect and would need revision as time went on. After the period of years that it has been in operation I think parliament is now in a good position to study the act and to make the necessary revisions to ensure it is really workable for the Canadian farmer.

Mr. Loney: I have just one further matter on item 15, Mr. Chairman. What consideration has the minister's department given to some type of freight assistance to Ontario

grown grains moving to the eastern provinces? I have in mind Ontario wintergrown wheat and Ontario corn.

The reason I ask the question is that we are well aware of the fact that these Ontario grown cash crops are in direct competition with grain moving in from the west which receives freight assistance at the Lakehead. The producers of the grain in Ontario also compete directly with United States storage corn, and under their system the producers in the United States can move it into Canada a lot cheaper than we can produce it. Our cash crop dealers are facing direct competition in this field.

I should like the minister to take into consideration a request which was made in a statement issued by the Ontario Federation of Agriculture which I should like to put on the record. The statement recommended that Ontario wheat shipped to any destination in Quebec and the Maritimes receive freight assistance at a comparable rate to that of western wheat moving to the same destination. This would permit the Ontario wheat producers marketing board to move surplus stocks of winter wheat into feeding areas on a competitive basis with feed wheat from western Canada.

Item agreed to.

Animal and animal products—

25. Grants, contributions and subsidies in the amounts and subject to the terms specified in the sub-vote titles listed in the details of estimates, $11,829,400.

Mr. Scott (Victoria (Ont.): Mr. Chairman, I wish to congratulate the minister on his appointment. I am sure he will find it very challenging and I wish him the very best of luck. At this time I will make my remarks brief. I should like to impress on the minister that consideration must be given to our agricultural fairs. Ten million people in Canada attend these fairs each year. It is the greatest agricultural show window of our nation. But today most of our societies are suffering from a lack of accommodation, with no facilities to display their goods.

Fairs are an institution in this country and are much older than Confederation. They have always been, as they are today, a great social as well as an economic factor in our way of life. In Ontario alone there are approximately 265 agricultural societies, 57 of which are class A or class B fairs, the rest being class C. The distinguishing factor is that a class C fair does not spend $3,000 or more on its prize lists for what are classed as agricultural purposes for three consecutive years; yet it may contribute as much or more to agriculture than some of the class B fairs.

It is the opinion of people connected with agricultural fairs that the ceiling of $3,000 on prize money for class C fairs should be lowered to $2,000 in prize money paid for agricultural purposes. We would also ask for a reinstatement of the major capital improvement grant to class A and class B fairs. We head the minister say that he had received representations some time ago to this effect and we beg the minister's department to consider this.

• (6:30 p.m.)

We also insist that the minister give further consideration to a long term loan policy for class A and class B fairs, with an interpretation broad enough to embrace community activities, the money to be provided at a reasonable rate of interest and with a forgiveness clause. Some of the smaller country fairs have done more to improve agriculture with respect to livestock and agricultural products through their 4H clubs than have many larger institutions. We must remember that if all the tributaries flowing into our great lakes were suddenly to cease the lakes would dry up. Do not let this happen to our own show, the agricultural show.

Some hon. Members: Hear, hear.

Mr. Saltsman: Mr. Chairman, I will take only a few moments to state my position and to endorse some of the statements which have been made by people primarily from agricultural regions. I should like to ask the minister, as other members of the house have today, to reinstate the capital grants for fair construction purposes. In 1960 the government spend $460,000, in 1961, $500,000, and in 1962, $665,000 for this purpose.

I would submit to the minister that that was probably some of the best spent money that the Canadian government ever spent. For a relatively small sum of money the Canadian government enabled many communities to improve not only facilities devoted to agricultural interests but community facilities as well.

The city of Galt is one of the communities interested in improving its facilities for agricultural interests. It also wishes to combine those facilities with a recreational centre that would serve the interests of all citizens. I ask the minister to give this matter serious

consideration and to reinstate the grant program. I feel that such federal initiative would be widely welcomed throughout the whole country.

Mr. Moore: Mr. Chairman, with the new dairy policy coming up, and with the promise of possibly $4 per hundred pounds for manufactured milk to be considered, I should like to mention the plight in which these provisions might leave the fluid milk shipper, especially in view of the fact that at the present time there is no subsidy on surplus milk to the shipper. Any subsidy on surplus fluid milk was taken off during the term of the previous minister who said that it was taken off to save money. Quite possibly money was saved. However, I think we have to take a look now at the position the fluid milk shipper will be in if manufactured milk goes up to $4 a hundred pounds. The prices now paid to the shipper for fluid milk range from possibly $4.95 a hundred pounds to $5 and over per hundred pounds. As anybody knows, the fluid milk shipper is on a quota, sometimes small, sometimes large. He cannot survive without producing surplus milk. In order to maintain a quota, which he must maintain if he is not to lose part of it, he must produce surplus milk. When his cows go out to grass in the summer they produce it on their own.

It may well be that the fluid milk shipper will be receiving a lower average price per hundred pounds of milk than is paid to the shippers to manufacturing plants. In my own home town one shipper is already in this position, an it is a ridiculous position in which to place a fluid milk shipper. His costs of operation are so much higher than those of any other dairy producer. Costs must of necessity be higher because the regulations are very stringent. The producer must produce good milk of a very high quality or go under. I hope that the minister and his department will take a close look at the particular problem that may come up when and if prices rise.

The Chairman: Shall the item carry?

Item agreed to.

Plant and plant products—

35d. Grants, contributions and subsidies as detailed in the estimates, $10,450,000.

Mr. Baldwin: Mr. Chairman, I have no apology for keeping the committee a few minutes longer. I have just come back from having spent three days in my constituency. Having seen the condition of several thousand people there and as a result of my studies and discussions during the last three days I have been reinforced in the view that I should be derelict in my duty if I did not make one more to persuade the government and the minister to change their rejection of the request of the Alberta government to co-operate in providing financial assistance to the people of my constituency.

I speak to the minister more in sorrow than in anger. I think his heart is in the right place. I realize his difficulties lie in trying to persuade his colleagues, as he said a few minutes ago, to view the whole problem in a palatable light. Hercules in cleaning up the Aegean stables perhaps had no more difficulty than has the minister in trying to paint his colleagues to appear in an attractive light with respect to agriculture in Canada.

When the minister spoke on January 26 he put his case for rejection specifically and quite fairly on two grounds. The minister said that there was a constitutional barrier which prevented his giving effect to the request that had been made. He also indicated that for the federal government to make payments in co-operation with the province to help farmers in the Peace River area and other parts of Alberta who are in distress because of unusual weather conditions, might create a precedent. I want to deal with this matter briefly because I do not want the impression to remain on the record that such a statement was made and not answered.

With regard to the constitutional barrier I suggest to the minister that the British North America Act gives a concurrent jurisdiction to both federal and provincial governments. That provision is in the same section giving jurisdiction with respect to immigration. No one that I know of has ever questioned the sole right of the federal government to deal with matters affecting immigration. The program and policy here indicated is not one of welfare. It is a policy related to agricultural problems and linked with crop insurance and Prairie Farm Assistance Act programs. It is a supplementary payment by way of assistance to farmers. I think it comes squarely within the four corners of section 95.

I will leave it at that. I do suggest that there is no right on the part of the government to offer as an excuse that there is a constitutional barrier to the implementing of the program I have referred to. There was a

precedent in 1959 when P.F.A.A. paid millions of dollars to farmers in western Canada who had sustained losses because of crop conditions at that time.

In further proof of what I say and to indicate what was in the minds of members of the minister's party I wish to refer to a passage taken from the *Fairview Post* of January 27, 1966.

Unsuccessful Liberal candidate in the Nov. 8 federal election, Charles MacDonell of Grande Prairie says he is bewildered by refusal of federal authorities to sanction any crop assistance to many needy farmers in the Peace. Following is a statement by the Grande Prairie barrister:

• (6:40 p.m.)

The refusal of the federal Minister of Agriculture to participate in provision of this assistance is a direct reversal of the federal policy which was in existence during the election campaign. At that time the policy was to participate on an equal basis with the province in any program which the province was willing to formulate and administer.

Then he goes on to suggest what should be done, with protest meetings, marches to Ottawa and so on. There is no question about it. This was the understanding at the time, and there was every right for the people of Peace River and myself to believe that when, and if, the provincial government did undertake to make payment, and to ask the federal government for assistance, that request would be met.

Urgency arises because the provincial government has agreed to proceed with its program. It has made available about $1¼ million. Applications have been taken from farmers. These applications have been processed, and when I was in the north I found that already some cheques were starting to come out. The question of urgency is that these people will require the full amount in order for them to carry on in an effective way during the coming crop year.

I know this is a long distance away. I have heard the suggestion that it may be all for the good of these people that they should leave this land and find a means of making a livelihood elsewhere. But many of them are farmers who came up under the homestead program. They have been there, three, four, five and six years. They are soldiers in a front-line settlement. They are farming the same kind of land I saw people farming 30 years ago—gray wood soil. It needs careful intensive cultivation. There are some 10 million to 12 million acres of this type of land, and I suggest that a continued refusal by the federal government to participate in this scheme will not drive these people away, but that it will constitute a rank injustice, an inequity. I appeal to the minister to review the situation with his colleagues.

If there is a barrier to bringing the program under P.F.A.A. possibly the minister might consult with his colleague the Minister of National Health and Welfare, with respect to the unemployment assistance program, which is very wide in scope. There is ample opportunity for this to be done. One must keep in mind the statement made by the Liberal candidate up there. After all, this was election time—and I think somebody said old age cannot wither nor custom stale the campaign wiles of the Liberals. I do not want to dwell on that at this moment, but I do urge the minister to review the whole program, consult with his colleagues and see if ways and means cannot be found to provide assistance on an equal share basis with the province of Alberta. I urge him to do this, having in mind the principles involved, having in mind that several thousands of people are involved, and having in mind the feeling that there has been discrimination against them.

Mr. Greene: Mr. Chairman, I think this deserves an answer. The hon. member has brought up the question previously and I believe I should clear the record. First of all, I understand there has been some controversy in the Alberta press as to the series of events in this matter, and I think I should clear that up in view of the contradictions that have appeared.

First of all, the minister of agriculture of the province of Alberta did request in December that we share in this program, but there has apparently been some misunderstanding in that regard. In answer to several questions in the house I have announced that there has never been any subsequent request for any method of approach which would be anything but supplementary payments over and above the P.F.A.A. payments. I can in no way blame my colleagues in this matter. The decision has been my own and I must stand on it. Contrary to what hon. members opposite may believe, my colleagues in the cabinet are kindly, benign, delightful gentlemen, and I can assure you they would do anything they could to help anyone in trouble.

I do not deny for one moment the grave difficulties in which these people are finding themselves. I appreciate the deep sincerity of the hon. member for Peace River, and of the

hon. member for Medicine Hat, who also has drawn this matter to my attention. My difficulty is simply that here is an area under P.F.A.A., in which some people have received P.F.A.A. payments. They have received P.F.A.A. because of the fact that they have had three bad years in a row; but I would like to point out that other P.F.A.A. areas have received P.F.A.A. payments as many as 25 out of 26 years. How then can we justify preferring one area under P.F.A.A. and saying to the people there, "You will not only receive your P.F.A.A. payments, but we are also going to give you an extra $1 million or $2 million of federal money"? This is the quandary in which I find myself.

In 1959, with due respect, the whole of the prairie provinces suffered from early frost or snow so that bins could not be counted and P.F.A.A. could not be brought into effect. Therefore the entire P.F.A.A. area was covered by emergency payments. There was no preferring of one area over another, and I might point out that in the province of Manitoba, in their administration of the 1959 program, they specifically did not pay anyone who had received P.F.A.A. They took exactly the same view as we find we must take in this case.

I have repeatedly sought a way—and I point no finger at anyone because I have been no wiser than anyone else in this regard—to see if we could make a contribution without in fact preferring several P.F.A.A. areas over the rest of the P.F.A.A. areas, many of which had also suffered losses for more than three years in a row. This is the quandary with which I am faced and I have not been able to find a way around it.

Many of the questions asked have been to this effect: Has there been any request from the provincial government for aid in this emergency which would not in fact be a payment supplementary to P.F.A.A. payments, thus preferring one, two or three P.F.A.A. areas over others? I have had no request in line with this approach. Had we had such requests, so that in fact it was not a preferring of some P.F.A.A. areas over others, and if there was some other method of handling it, then it might well be we could participate; but I do not see how we can discriminate against certain P.F.A.A. areas as compared with others.

If we are going to have emergency payments for the Peace River area over and above P.F.A.A., then surely we must do the same for other P.F.A.A. areas which have suffered for more than the three years. This is a quandary. I appreciate very much the hon. member's sincerity, and I only regret I have not been able to figure a way around the problem.

Mr. Baldwin: Will the minister take into consideration the suggestion I made about the possibility of extension of unemployment assistance? I make that request having in mind that much of the land involved is in the frontier area, and there have been many cases where farmers have been able to break and bring under cultivation only 80, 100 or 120 acres. As the minister knows there is a limit under P.F.A.A.—half the cultivated acreage—and the minister can readily see how half of 80 or 100 acres, at a payment of only $2 an acre, does not provide much. The amount of money is not to be considered in the same sense as larger areas in the western provinces where farmers have much more cultivated acreage and the payments they get can come up to the maximum of $800. There is a clear distinction to be made in that regard, and it is in that sense that the provincial government approved the program. I think the minister should look at it in that light.

• (6:50 p.m.)

Mr. Moore: Mr. Chairman, I was going to make the same plea that has been made by the member for Peace River in respect of the farmers in west central Alberta. The problems are very similar. Since the minister gave a very considered answer, I do not have to go into it in detail. I would however like to make one comment. He spoke about the technicalities, and I can understand his problem. I know he is sincere in this; but these technicalities will not bring gas, oil and seed to these farmers who have no other way to obtain them.

I think that, if you look at the P.F.A.A. payments you will find in certain areas they are either very small or are not in existence at all. I receive letters from many people who say they are not covered by P.F.A.A. and are in difficulty. I beg the minister to look into this further. Possibly some assistance in providing interest free loans to buy oil, gas and seed might be a solution; I do not know.

Mr. Olson: Mr. Chairman, there are just one or two points I have in mind at this time for clarification. I would like the Minister of Agriculture to know that I do not want to misinterpret what he says, but what I believe he said was that the minister of agriculture for the Province of Alberta had asked for

supplementary P.F.A.A. payments. That is not the context in which the request was made.

The request was not for supplementary payments above the regular P.F.A.A. payments that might have been made in these two specific areas. What was asked for was a 50 per cent sharing of the cost of the emergency assistance program set up for two specific areas for what they considered to be good and sufficient reasons. The technicalities and problems that the Minister of Agriculture discusses here, so far as I and the minister of agriculture for Alberta are concerned, are superimposed difficulties because they try to hang it on P.F.A.A. I know the view of the provincial government in Alberta is that there should be no relationship whatsoever between the request for a cost sharing program and P.F.A.A. I wish to clarify this because I think that is the intent of the minister of agriculture for Alberta, and I think perhaps on reflection of the federal Minister of Agriculture.

Mr. Greene: This is perfectly correct. If I left the impression that the aid was requested specifically as being supplementary to P.F.A.A. payments, it is not so; it is exactly as the hon. member has stated. It was requested for a specific area, but in fact these were P.F.A.A. areas and, therefore, our conclusion was that this would have resulted in supplementary payments for those P.F.A.A. areas in particular. However, the request did not come from the minister specifically on the basis of being supplementary to P.F.A.A. The hon. member is quite correct.

Mr. Starr: Mr. Chairman, I wonder if I might ask a question. I know the item under which this question should have been asked is passed. Would the minister be gracious enough to afford me the privilege of asking the question? I am referring particularly to class B fairs and the suspended grants. Is the policy being changed, and when does the minister expect to change that policy in order to extend those grants again to the class B fairs.

Mr. Greene: Mr. Chairman, the policy of payment which was suspended in 1962 was reactivated. I can tell the hon. member that both the grants program and the new loans suggested by my predecessor are under consideration and I hope we will have a decision from the cabinet in this regard in the not too distant future.

Mr. Starr: Mr. Chairman, I have a supplementary question. Does that mean that the loans program will be substituted for the grants program, or will there be both?

Mr. Greene: Both are being considered; there is no decision. At the meeting with the fairs people the contention, strangely enough, was that they all were in favour of both; they were not going to turn down either the grants or the loans, if they were going to be available from the federal government.

Mr. Barnett: Mr. Chairman, I would like to ask the minister, while we are on this item, whether he would indicate briefly to the house what the situation is in respect of the golden nematode invasion on Vancouver Island. I know a situation was developing there where some of the producers were going to face considerable difficulty because of the embargo placed on the marketing of their potato crop. I am wondering where this matter stands at the moment, so far as the federal Department of Agriculture is concerned.

Mr. Greene: Mr. Chairman, a rather complex program is in effect. If the hon. member would permit me, I would be pleased either to write him about it or discuss it with him personally, because it is lengthy. However, briefly I can say that there is a program of relief in effect.

When I was in Victoria in January I had a meeting with these people. It was a lengthy, and I think worth-while meeting. The details and administration of the program were discussed fully with them. I do not think there is going to be an easy or facile solution. I am sure it is a very complex problem. To date I think the program has been working satisfactorily; but I feel certain there will be problems as we go along, and I can only hope that we will be able to meet them to the satisfaction of the persons involved. However it is a very difficult problem to solve, because there are several aspects to it.

First of all, I think the question of paying for crops that had been destroyed—crops of various kinds, including nursery stock—is one problem that is not too difficult to remedy. I think there is the matter of the compensation for land which must be taken out of production for a certain length of time, and again there is the third category of land which must be taken out of production for a much greater length of time and perhaps virtually permanently. Compensation in those areas is not an easy thing to determine.

We are attempting, and I hope successfully, to negotiate settlements which are satisfactory to the individual farmers, and if we can do this, that will be the end of it. I hope we can do so. If not, some method will have to be evolved whereby we can assess compensation upon some equitable basis.

Mr. Barnett: There is one particular aspect of the problem which has not been touched upon; that is the situation of the growers who were outside of the immediately affected area and who were not going to be able to market their crop, such as seed potatoes, because of the embargo on exports from the area. Is the minister satisfied, so far as his department is concerned, that the present program is working in a manner which will prevent such farmers being in a situation of hardship?

Mr. Greene: I think this is one of the difficult areas in which to assess fair and just compensation, in order to be fair to the taxpayer whose money it is we are dealing with, and at the same time be fair to the affected grower. However, to the best of my knowledge the program is working satisfactorily and certainly is being reviewed from time to time. If any of the growers who are concerned are not happy with it, I would be only too pleased to hear from them in order to see whether we can work out solutions which are satisfactory to them. To the best of my knowledge the program is working satisfactorily.

Mr. Barnett: We will write to ask for a full explanation.

Mr. Loney: Mr. Chairman, I would like to ask the minister whether further consideration has been given to the numerous requests by members on this side of the house in respect of some means to bring about a way to alleviate the serious crop loss as a result of early frost and early snow this past fall. I refer, Mr. Chairman, to those areas in western Ontario which are not among the 22 townships which were designated, and particularly the townships in the county of Bruce.

• (7:00 p.m.)

Mr. Greene: Mr. Chairman, I am sure the hon. member is aware of the fact that the initiation for such a program must come from the province. We have had no requests from the province of Ontario for contributions, to any of the communities to which he referred.

[Mr. Greene.]

Mr. Loney: I have a supplementary question. We are all aware of the representations which have been made by various members of this house and organizations concerned with the future of agriculture in this province. My question is prompted by a reply which appeared in *Hansard* on February 28 to a question asked by the hon. member for Dufferin-Simcoe, which set out in detail a reply given to the Farmers Union of Ontario. In this regard, has the minister met recently with the vice president of that union, Mr. Walter Miller, to discuss crop losses in western Ontario? Perhaps the minister can also tell the house what promises were made to Mr. Miller. I am not asking the minister to betray any confidence because, following that meeting with the minister the vice president met with members of the Conservative party who are concerned about crop losses in the areas they represent and intimated that certain promises had been made along the lines just stated by the minister, that the initiative should come from the province of Ontario. He also intimated that the only way to handle this government was by opposition members putting pressure on them to take action.

The Chairman: Shall item 35d carry?

Mr. Loney: Mr. Chairman, may we have a reply from the minister?

Mr. Greene: Mr. Chairman, I can assure the hon. member that I have at no time encouraged anyone on the premise that it was a good idea for the opposition to put pressure on the minister to do anything. I hope the opposition will approve of the fine policies brought forth by the minister to the extent that they will co-operate with him. I can assure the hon. gentleman that if such a representation were made, it was not consistent with the facts.

Item agreed to.

Health of animals—

40. Administration, operation and maintenance including Canada's fee for membership in the Office International des Epizooties, and authority, notwithstanding the Financial Administration Act, to spend revenue received during the year from packers requiring special services, $12,756,000.

Mr. Danforth: Mr. Chairman, in respect of vote 40, I appreciate that the minister cannot provide answers to the questions I wish to pose at this time, but I want him to give us an undertaking before this item passes that he will attempt to provide me with these answers. I refer to the mystery or rumour

which from time to time surrounds the importation of cattle from Charolais, France, where there is some concern about an outbreak of hoof and mouth disease. Can the minister provide the house with an undertaking that this program as it is being carried out will be explained in detail, giving the specific number of animals involved, the quarantine steps and the names of the purchasers?

I am concerned about two things in this regard, Mr. Chairman. I should not like to see this become an avenue for the circumvention of restrictions on importations from foreign countries. There might well be a great deal of speculation in this regard and I am very concerned about it. Is this to be an operation which will benefit the cattlemen of Canada and North America? If so, I am very desirous to see that it proceeds. On the other hand I should like to make sure that precaution is taken to prevent any disruption in respect of the importation of cattle to this country and to our neighbour to the south. I am sure the minister is concerned in this regard, and perhaps he will give a complete picture of this program in order to allay the suspicions which have been aroused. This would give the members of this house an opportunity to consider this program, which I personally feel has some merit.

My second concern is about the program instituted by the previous minister relating to the provision of dairy products and beef from the same cattle. I am sure the minister is familiar with this program. I would like to obtain more details in this regard. Perhaps the minister at a later date could provide a complete outline of this program.

Mr. Chairman, I am also concerned about the travelling livestock show. I think there is a great deal of interest in this subject, and perhaps the minister could give us a complete outline and understanding of its purpose, setting out the type of animals involved, and its scope. If the minister will give me an undertaking regarding the three items I have mentioned I am perfectly prepared to let this item pass.

Mr. Greene: Mr. Chairman, I want to be certain as to procedure before answering, but I should think the best time to deal with the first two items mentioned is when the estimates for the current year are being examined by the committee. If that is satisfactory I am pleased to undertake to provide the details requested.

Regarding the third item, let me point out that the travelling livestock exhibit comes under the jurisdiction of the Department of Trade and Commerce and, for that reason, I do not know how or in what way I could present the information requested. I would be very pleased to give the hon. member a written report. However if that is not satisfactory I will try to find the best way of making that information public so that the hon. member will have access to it. As I said, the first two items can be best dealt with when estimates for the current year come before the committee.

Board of Grain Commissioners—

50. Administration, operation and maintenance including authority to purchase screenings, $6,610,700.

Mr. Watson (Assiniboia): Mr. Chairman, I want to congratulate the minister on his appointment to the agricultural portfolio, and his trip throughout western Canada, during which time certain statements were made to the effect that it was unfortunate the government had no representation in the province of Saskatchewan.

Let me assure the minister that I will co-operate with him at all times in attempting to improve the agricultural situation in the province of Saskatchewan. Specifically I should like to deal with the matter of terminal elevators in western Canada. Many of these elevators are sitting empty. I have placed several questions on the order paper pertaining to this elevator operation, and I had hoped that some of these questions might have been answered before now. I am sure the Minister of Agriculture is interested in the items to which I have referred in my questions.

In the western part of this country we refer to these elevators as great white elephants. As an example of why this is so, let me refer to an empty elevator in my riding with a capacity of 5,500,000 bushels, which has modern drying and cleaning facilities. This is the type of thing which leads us to refer to these elevators in the way I have indicated.

• (7:10 p.m.)

Mr. Chairman, I am not going to take up much of the minister's time, but I do suggest he look into this situation and use his influence to correct it. I know the minister realizes that the farmers must get their wheat off their land on quotas, and can do so only by putting pressure on the wheat board and the railways to move it from these elevators. When this happens we always get the runaround and are told that for this or that

reason it cannot be done. I urge the minister to take a good look at the situation with regard to these terminal elevators. Let us make some use of them. We pay large staffs to sit there and do very little if anything. I realize these people have to be kept on but the elevators should be used for the purpose for which whey were intended, that is storage.

I realize also that other questions enter into this matter. There is the question of drop-off charges, and so on. These charges are given as an excuse for the final payment in regard to wheat being something similar to that paid last year, which constituted a drop of 10 or 15 cents a bushel. I maintain that we are paying a permanent staff to operate these elevators, the facilities are there and they should be used. These are Canadian government elevators and if the grain was put into them and no charge was made for storage the situation would be no different than it is at present, when employees are sitting there year after year and no grain is going through the elevators.

I am not saying this is the situation in all elevators but it is the situation in two or three elevators which I have investigated and which are empty at the present time. Last year when the hon. member for Moose Jaw-Lake Centre and myself put some pressure on the government to have some grain put into them at the end of July, 238,000 bushels of wheat were put into one of the elevators but it was taken out again within two or three weeks. At the present time we have a 5½ million bushel capacity elevator in the city of Moose Jaw that does not have a bushel of grain in it. I do not say this situation exists in regard to other elevators because I have not the figures before me, but if it is the case I think the Minister of Agriculture should take a good, hard look at this situation and see what can be done about it.

I would draw another matter to the attention of the minister. It may not come under this item but perhaps the minister would bear with me for a moment. I would ask the minister to use his influence with the Minister of Finance and the Minister of National Revenue in this regard. I am referring again to the question of storage. Under a bill that was passed last year—this came under the eastern feed grain policy, I believe—a farmer who built storage facilities was eligible for a 25 per cent write-off on them if they were built between May 1, 1965, and December 31, 1966. The Minister of Agriculture should take a good, hard look at this situation and use his influence with his colleagues in the cabinet to have this program put on a permanent basis. I am sure it would help all the farmers of Canada a great deal.

[Mr. Watson (Assiniboia).]

Item agreed to.

The Chairman: This completes the estimates of the Department of Agriculture. The committee will now proceed to the estimates of the Department of Mines and Technical Surveys.

Mr. Peters: Six o'clock.

Mr. Pickersgill: Mr. Chairman, I wonder whether I could remind members of the committee that my hon. friend the Minister of Mines and Technical Surveys is one of those ministers who are expected to be in Washington tomorrow. I would point out that the Minister of Northern Affairs and National Resources, who will be here, is in a position to deal with what I think will be one of the most interesting subjects to be discussed under these estimates, namely the question of water. There would be no technical restriction put upon the Minister of Northern Affairs and National Resources in dealing with these estimates.

In view of the fact that the minister will have another set of estimates to put through for the forthcoming year, and that there are several other departments to deal with, I wonder whether the committee would consider dealing rather briefly with the minister's estimates and doing it today.

Mr. Starr: Mr. Chairman, we have been trying to co-operate in passing these estimates. It was only the day before yesterday that the house leader approached us and said it had just been brought to his attention that these five ministers had to be in Washington to attend the joint United States-Canadian committee, and consequently we co-operated in passing the estimates.

Unfortunately, even though we sat long hours yesterday and we are doing so again today, the estimates of one of those depart-

ments have not been passed. In view of the fact that many members on our side have co-operated by withholding their remarks on the first item of the estimates of the Department of Agriculture in order to expedite the passage of those estimates, and that there are four or five at least, possibly six, members who feel very strongly about certain matters relating to the Department of Mines and Technical Surveys and wish to express their views and find it difficult to forgo this opportunity. I would suggest that the minister go to Washington—while he is there he could probably re-write the constitution—and in his absence another minister, possibly the Minister of Northern Affairs and National Resources, as the Minister of Transport suggested, could pilot his estimates through committee. I believe there are the estimates of nine more departments to be considered, and we have Thursday, Friday and possibly Monday to consider them. It would be agreeable to us if this procedure were followed.

Mr. Knowles: Mr. Chairman, I do not rise to disagree with the hon. member for Ontario but I wonder whether I might make a suggestion for consideration. If it is possible for the Minister of Northern Affairs and National Resources to deal with any of the issues that might arise, could there be an understanding that we pass the estimates of the Department of Mines and Technical Surveys without any debate, without taking any time, on the understanding that we may ask any questions about that department when the estimates of the Minister of Northern Affairs and National Resources are before us?

Mr. Starr: I think we have made our position quite clear. There are a number of members who feel very strongly about certain aspects of these estimates and on which they wish to say a few words. For some hon. members there are matters of particular significance in this department. Under those circumstances, if the government would take the course that I suggested we would appreciate it.

Mr. Pickersgill: Mr. Chairman, I know that the members who are here are not able to bind those who are not here, but I wonder if they would be satisfied in the circumstances, since the government has no authority to go on if hon. members do not wish to do so—we are suppliants in this regard—if the acting minister did pilot the estimates for the Minister of Mines and Technical Surveys, in order that the minister could keep this engagement with regard to a matter which is in the opinion of the government, and I think in the opinion of the house, of great importance to both countries.

Mr. Churchill: It is not a constitutional matter, though.

Mr. Pickersgill: No, it is an extraconstitutional matter; it is an unwritten constitution.

Mr. MacInnis (Cape Breton South): Mr. Chairman, with regard to the suggestion made by the Minister of Transport, I speak only for myself but I would be perfectly willing to follow the course he suggested, with one proviso. As I mentioned, I have a very important stake in this matter and if the government would undertake to have the Minister of National Health and Welfare act on behalf of the Minister of Mines and Technical Surveys, I would be satisfied.

Mr. Pickersgill: Mr. Chairman, we would have to abide by the rules, and I think the only minister who would have the right to act for the Minister of Mines and Technical Surveys would be the acting minister.

Mr. Churchill: So long as it is not the Minister of Transport, because he talks too much.

• (7:20 p.m.)

Mr. MacInnis (Cape Breton South): Would the Minister of Transport indicate who that acting minister would be?

Mr. Pickersgill: I understand that the acting minister—I have not looked at the list—is the Minister of Northern Affairs and National Resources.

Mr. MacInnis (Cape Breton South): To get back to our own particular problem, I cannot foresee the possibility of carrying on with the estimates of the mines department unless the minister himself is here—or the minister who took so much responsibility in the last few months, so far as we are concerned, the Minister of National Health and Welfare.

Mr. Olson: So far as we are concerned we would agree to go ahead with these estimates tomorrow with the Minister of Northern Affairs and National Resources taking them in his capacity as acting minister. Inasmuch as there are a number of members who want to make some inquiries, whether or not they get full answers, I do not think it would be a good idea to pass these estimates without debate, even with the reservation that we could ask some questions.

There is only one problem with having the Minister of Northern Affairs and National Resources, and that is that after some of the statements he has made recently we would be tempted to talk about parks, and we would be here for a long time. As a matter of fact, the meeting in Washington is very important and we think the minister who will have the responsibility for energy and water resources ought to be there, in spite of the fact that we know he has been in Winnipeg recently discussing some of the things in which we are particularly interested. However, we would excuse him while he carries on the business of Canada.

Mr. Knowles: We would have liked to have the Minister of Mines and Technical Surveys here for his estimates. However, we think the suggestion is a good one and we wish him godspeed on his trip to Washington.

Mr. Starr: May I ask the Minister of Transport if he would agree that, in addition to the Minister of Northern Affairs and National Resources, the Minister of National Health and Welfare will be present also during the discussion of these estimates?

Mr. Pickersgill: I cannot imagine, sir, that the Minister of National Health and Welfare, if it were humanly possible for him to be here, would deny himself the pleasure of listening to the hon. member for Cape Breton South.

Mr. MacInnis (Cape Breton South): Since the Minister of Transport wants to pinpoint this matter, I can be just as stubborn as the next fellow and insist that if the minister wants to look after the business of Canada, the best place to do it is in Canada. We have a particular problem here. We have been denied the opportunity of asking questions since the house opened, and denied that opportunity in a most peculiar way. We have been denied the privilege of asking the Minister of National Health and Welfare questions, as the minister from Nova Scotia; yet there are thousands of precedents for such questions. This type of question has been asked for years. So far as we are concerned, the Minister of National Health and Welfare is the man who has the answers in respect of our own particular problem. If we do not get the Minister of Mines and Technical Surveys, we want the Minister of National Health and Welfare who is responsible for the kind of statements that were made.

Mr. Pickersgill: I will undertake to let the Minister of National Health and Welfare know of the desire of the hon. gentleman. I feel quite sure he will be here if it is humanly possible.

Mr. Muir (Cape Breton North and Victoria): If I may make a compromise suggestion, I am inclined to agree with my colleague the hon. member for Cape Breton South, but I am sure the acting house leader, despite his offhanded remarks at times, realizes this is a most important subject, namely coal mining and assistance to coal mining. As a happy compromise, could we not have assurance—I am sure the hon. member for Cape Breton South would agree with me—from the acting house leader that the $25 million that was promised as assistance for the coal mining industry in Nova Scotia would be forthcoming, with no strings attached, and without waiting for Ritchie Donald's report? I am sure the hon. member for Cape Breton South and I would not wish to participate in any debate at all, as long as we knew this money was forthcoming, without any restrictions at all,—just a straight $25 million for assistance to the coal industry. If we could have this assurance from the acting house leader, possibly my colleague would be quite happy and you would not have to listen to either of us.

Mr. Pickersgill: I can assure the hon. gentleman that the undertaking that was given by the government was not given lightly, and that it is the intention of the government to carry it out.

Mr. MacInnis (Cape Breton South): I do not wish to contradict my colleague, but we already have the assurance of which he is

speaking, although we do not have the delivery.

Mr. Muir (Cape Breton North and Victoria): We want the delivery, without any strings.

The Chairman: Shall I rise and report progress?

Mr. MacInnis (Cape Breton South): I want a complete understanding from the house leader. Do we have the Minister of Mines and Technical Surveys here tomorrow, or don't we?

Mr. Pickersgill: I am only acting for the house leader, who has been here almost all day but who had to carry out another engagement. I understood there were some other departments to be taken up tomorrow and I would not like to say what department would come first tomorrow. I feel the house leader would have to consult with hon. gentlemen opposite because my understanding was that yesterday and today we were going to take these five departments. I do not believe it would be wise for me to commit the government in any way without consultation. I understood we were going back to the Department of Justice tomorrow.

Mr. Knowles: That is right.

Mr. Pickersgill: If hon. gentlemen would consent to go on with these estimates for half an hour, the Minister of Mines and Technical Surveys is here right now and could listen to both hon. members from Cape Breton, as well as anyone else who wished to speak. So far as we are concerned on this side of the house, we will go on as long as it is necessary in order to pass these estimates now.

If we do not pass them now, I do not believe I have authority to commit the government as to what order the departments will be called or when the Minister of Mines and Technical Surveys will come again. It was for this reason I was hesitant. If the hon. gentleman had asked me about my own conduct, I would not be hesitant. I am hesitant however about committing another minister without consulting him. I think it is quite reasonable to assume that the hon. member for Inverness-Richmond—I refer to him that way for obvious reasons—is just as much interested in the coal problem as any other member. I am sure be will wish to be here when it is discussed, if it is possible for him to be here.

I wonder if we could not get agreement to go on for another half hour so both members from Cape Breton could make their speeches right now?

Mr. Starr: This has always been the trouble. The Minister of Transport speaks too long, uses too many words and he injects into his speech the political feeling he always has inside his body and his mind. There are $8 billion of estimates to be considered. No estimates have been considered in this house for the past year and a half, and now the government says they are willing to sit. We have been sitting here for three weeks and three days, but if the government had carried out its responsibility for governing the country properly last year, instead of calling an election, we would not have found ourselves in this situation.

It is our responsibility, as an opposition in a democratic form of government, to be the watchdog on behalf of the taxpayers of this country. I think the taxpayers expect us to scrutinize these estimates. I do not believe three weeks and three days is too long a time to take to scrutinize carefully $8 billion worth of expenditures.

Mr. Knowles: In order that we can settle this, could there be an understanding that we revert to Justice tomorrow and that the house leaders consult as to what arrangements we may make for the rest of the departments?

Mr. Pickersgill: I think that is the only possible course to take in the circumstances. I will refrain from saying anything, except that I understand the government will have to try to be as agreeable as possible on this matter. I understand it is the general consensus of hon. gentlemen opposite that the Minister of Mines and Technical Surveys would be justified, in the national interest, in going to Washington.

• (7:30 p.m.)

Mr. MacInnis (Cape Breton South): Mr. Chairman, the suggestion of remaining to discuss further the minister's estimates this evening is acceptable to me, though I cannot speak for anybody else. I would remind the minister there is a second lady behind me.

The minister left the impression that we are trying to deny the Minister of Mines and Technical Surveys the opportunity of representing Canada abroad. What I am concerned with is the representation made by that minister at home, in Canada. He is talking of

making commitments. He says he does not want to commit the government or any individual member of the government, but what he and the government have done in the last few weeks is to commit all members of parliament. This announcement about five members going to the United States could have been made long before now and preparations made to handle the estimates, instead of waiting until the eleventh hour.

The Chairman: Order. Shall I rise, report certain resolutions, and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Resolutions adopted in committee of supply this day reported and concurred in.

It being thirty six minutes after seven o'clock the house adjourned, without question put, pursuant to standing order.

[The following items were passed in committee of supply this day:]

DEPARTMENT OF AGRICULTURE

Administration—

1. Departmental administration including the Canadian agricultural services co-ordinating committee, contributions to the Commonwealth agricultural bureaux and a special contribution not exceeding $62,000 to the Agricultural Economic Research Council, subject to approval by Treasury Board, $4,186,600.

Research—

5. Administration, operation and maintenance including Canada's fee for membership in the International Society for Horticultural Science, **an amount of $145,000 for grants in aid of agricultural research in universities and other scientific organizations in Canada and the costs of publishing departmental research papers as supplements to the** Canadian Entomologist, $25,774,000.

10. Construction or acquisition of buildings, works, land and equipment, $5,391,000.

Production and Marketing—

Administration—

15. Administration, operation and maintenance including the administration of the Agricultural Stabilization Act, contributions to assist in the marketing of agricultural products subject to the approval of Treasury Board and payment of expenses not exceeding $100,000 for a travelling Canadian livestock and seed exhibition outside Canada, $2,110,100.

15b. Administration, operation and maintenance including the administration of the Agricultural Stabilization Act—to extend the purposes of Vote 15 of the main estimates for 1965-66 to include administration of the supplementary dairy payment program and to provide a further amount of, $172,000.

[Mr. MacInnis (Cape Breton South).]

15d. Administration, operation and maintenance—To increase to $132,000 the payment of expenses for a travelling Canadian livestock and seed exhibition outside Canada, $32,000.

17b. Grants, contributions and subsidies in the amounts and subject to the terms specified in the sub-vote titles listed in the details of estimates, $21,000,000.

Animal and animal products—

20. Administration, operation and maintenance including Canada's fee for membership in the international dairy federation, $6,510,300.

25. Grants, contributions and subsidies in the amounts and subject to the terms specified in the sub-vote titles listed in the details of estimates, $11,829,400.

25b. Grants, contributions and subsidies in the amounts and subject to the terms specified in the sub-vote titles listed in the details of estimates, $107,000.

25d. Grants, contributions and subsidies in the amounts and subject to the terms specified in the sub-vote titles listed in the details of estimates, $309,000.

Plant and plant products—

30. Administration, operation and maintenance, $6,049,100.

35. Grants, contributions and subsidies as detailed in the estimates, $1,823,900.

35b. Grants, contributions and subsidies as detailed in the estimates, $350,000.

35d. Grants, contributions and subsidies as detailed in the estimates, $10,450,000.

Health of animals—

40. Administration, operation and maintenance including Canada's fee for membership in the Office International des Epizooties, and authority, notwithstanding the Financial Administration Act, **to spend revenue received during the year from packers requiring special services, $12,756,000.**

40b. Administration, operation and maintenance, $280,000.

45. Grants, contributions and subsidies as detailed in the estimates, $1,698,000.

45d. Grants, contributions and subsidies as detailed in the estimates, $24,500.

Board of Grain Commissioners—

50. Administration, operation and maintenance including authority to purchase screenings, $6,610,700.

50b. Administration, operation and maintenance, $475,000.

Land rehabilitation, irrigation and water storage projects—

Irrigation and water storage projects in the Western provinces including the South Saskatchewan River Project, the Prairie Farm Rehabilitation Act program, land protection, reclamation and development—

55. Administration, operation and maintenance including Canada's fee for membership in the International Commission on Irrigation and drainage, $8,972,000.

55d. Irrigation and water storage projects—To extend the purposes of Agriculture Vote 55 of the main estimates for 1965-66 to authorize expenditures in respect of irrigating drought-stricken farms in Ontario and Quebec, $1.

60. Construction or acquisition of buildings, works, land and equipment, $28,034,000.

Loans, investments and advances—

L1b. To increase to $335,000 the amount that may be charged at any time to the revolving fund established by Vote 539 of the Appropriation Act No. 3, 1953 for the purpose of financing the purchase of stores for use in the construction, maintenance and operation of projects under the direction of the Prairie Farm Rehabilitation Administration; additional amount required, $135,000.

HOUSE OF COMMONS

Thursday, March 3, 1966

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

FINANCE, TRADE AND ECONOMIC AFFAIRS—CONCURRENCE IN SECOND REPORT

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

Mr. Speaker: Has the hon. member the unanimous consent of the house to present the said motion?

Mr. Caron: Mr. Speaker, if the motion is to apply to today only, I agree; but if it is for more than today, I refuse.

Mr. Gray: Mr. Speaker, this report applies to today only and its purpose is to enable the committee to complete the taking of evidence that was begun this morning. In general it is to enable this committee to carry out the duties entrusted to it by the house.

Motion agreed to.

TRANSPORT AND COMMUNICATIONS—CONCURRENCE IN FIRST REPORT

Mr. Joseph Macaluso (Hamilton West): Mr. Speaker, if I may have the unanimous consent of the house I move, seconded by Mr. Blouin:

> That the first report of the standing committee on transport and communications presented to the house on Tuesday, February 22, 1966, be now concurred in.

That report which was tabled was to allow the committee to sit while the house is sitting to enable representations to be heard from delegations from the Canadian Pacific Railway on a matter referred to that committee by this house on February 8, 1966. We anticipate that we will require this delegation to be here today and tomorrow, and perhaps next week, but I am asking for unanimous consent in regard to today and tomorrow only.

[*Translation*]

Mr. Alexis Caron (Hull): Mr. Speaker, for the reasons I gave last week when the adoption of the report of the committee on finance, trade and economic affairs was moved, I objected to the committee sitting when the house is in session. Today the member for Hamilton West (Mr. Macaluso) asks again that the committee sit at the same time as the house. I think this would be nonsense; with the 22 committees we have, if all committee chairmen ask for the same permission, we will never have a sufficient number of members so that the house can sit.

We have a responsibility toward the House of Commons, and that is why I object. If the hon. member wants the committee to sit today and tomorrow, I see no objection to it. On the other hand, if he is trying to get permission to sit next week, I do object, because I feel that is not necessary.

I am told that C.P.R. officials have arrived; I could not care less, and the C.P.R. president can come back; he can spare the time. I would not object, however, if these people were from out of town. Similar requests have been made in the past and I have voiced my objection every time. I am just as much against it today as I was when in opposition. I was very happy to see that the hon. member for Winnipeg South Centre (Mr. Churchill) changed his mind so quickly to support me. If there is not enough time for committees, Wednesday afternoon sittings of the house should be cancelled to allow committees to sit. I have always objected to granting a blanket authorization in this regard, and I am objecting again today.

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I agree with the hon. member for Hull that the hours of sitting of the committee should not be extended to while the house is sitting, particularly in view of the fact that we are sitting long hours in the house now and I think it would be rather foolish if we divided the strength of the house into committees at the same time.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, for the same reasons, I object to the committees sitting at the same time as the house. I remember quite well that, during the last election campaign, a minister criticized us for not attending committee sittings, but he forgot to say that committees were sitting

at the same time as the house. We were blamed at the time for not attending committee meetings while the house was sitting, and if the same policy is to be followed, steps should be taken to enable members to be present in the house and in the committees. On the other hand, we should not be asked to dislocate ourselves. We are already too few to be required to submit to dislocation and, besides, we do not suffer from that disease.

If the hon. member wants this permission only for today and tomorrow, that is fine with us, but if it is for a longer period, we object and we shall ask for a vote on the matter.

[*English*]

Mr. H. A. Olson (Medicine Hat): So far as we in this party are concerned we realize that while it may be a strain for some members to attend committee meetings while the house is sitting, at the same time we have to realize that it has been difficult to get all the business done during the session. So far as we are concerned, we are prepared to give consent to some of these committees to sit while the house is sitting because this privilege has not been abused. I believe the only time this permission has been used extensively has been when witnesses have been called to Ottawa from long distances. Certainly we should be able to do that.

However, if there is a great deal of objection to giving blanket permission for the balance of this session, then I would think there probably is a misunderstanding, and perhaps the mover of the motion would agree to have that motion apply to today and tomorrow only. Following that there should be some negotiation between what is called the usual channels to see if we cannot arrive at some agreement with respect to what we are going to do with these motions to allow the committees to meet while the house is sitting.

Mr. Macaluso: Mr. Speaker—

Mr. Speaker: The hon. member for Hamilton West can only speak a second time with the unanimous consent of the house.

Some hon. Members: Agreed.

Mr. Macaluso: Mr. Speaker, if the hon. member on this side of the house who objected had listened to the motion, I only asked that it apply today and tomorrow. I asked for unanimous consent for the committee to sit today and tomorrow because we do have the president, the vice president and other officers of the Canadian Pacific here with us now.

[Mr. Grégoire.]

Mr. Speaker: Is it agreed that the hon. member should have leave to amend the motion so that the report will be to the effect that the committee can sit today and tomorrow?

Mr. Macaluso: Mr. Speaker, if I may, with all due respect I did not move for blanket consent. I moved that the committee sit for today and tomorrow only.

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

Some hon. Members: Agreed.

[*Translation*]

Mr. Caron: With the amendment that was introduced? Mr. Speaker, if the motion is amended as mentioned, I agree.

[*English*]

Mr. Speaker: Order, please. The hon. member for Hamilton West has explained very clearly that the motion is to take effect today and tomorrow only. This is the motion which has been agreed to by the house.

Motion agreed to.

OTTAWA TERMINAL RAILWAY COMPANY

Hon. J. W. Pickersgill (Minister of Transport) moved for leave to introduce Bill No. S-2 (from the Senate), to incorporate the Ottawa Terminal Railway Company.

Motion agreed to and bill read the first time.

ADMINISTRATION OF JUSTICE

REQUEST FOR ROYAL COMMISSION TO INVESTIGATE ORGANIZED CRIME

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I wonder whether the Prime Minister is now in a position to inform the house whether the cabinet, having met, has come to a conclusion regarding the request I had made several times for the setting up of a royal commission to inquire into the ramifications of international crime in Canada. I would ask him whether he has communicated with any of the provinces to secure co-operation in this regard, and whether he does not believe that the almost unbelievable circumstances of the theft of gold yesterday in Winnipeg adds further argument to the necessity for the fullest investigation of the crime situation.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the cabinet has been considering this matter and will be considering it again. After the cabinet has given such further consideration, of course, and in the light of the consideration given, there would be a requirement to communicate with the provinces. After all, if this commission were set up it would be inquiring into the administration of justice in the provinces, for which the provinces would have responsibility. So it will be some time before I am in a position to announce a decision in the house.

Mr. Diefenbaker: May I ask a supplementary question. Would the Prime Minister say whether there has been any communication with the provinces, or any of them, to secure their co-operation in this regard?

Mr. Pearson: Mr. Speaker, we are considering the matter as a government. When that consideration has been completed, or at the least the first part of it, we will then get in touch with the provinces.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I have a supplementary question for the Prime Minister.

Is the Prime Minister aware that the Minister of Justice of Quebec has recommended such an inquiry by a royal commission made up of provincial and federal representatives? If so, does the Prime Minister envisage or fear that, in such a case, Quebec might withdraw from such a joint program after having proposed it?

[*English*]

Mr. Pearson: Mr. Speaker, I have learned about these considerations which have been advanced by the Minister of Justice of Quebec only from what I have read in the newspapers. No doubt I will get further information if and when we get in touch officially with the government of Quebec.

CANADA ELECTIONS ACT

INQUIRY AS TO AMENDMENT OF LEGISLATION

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 our being reminded by news reports from the United Kingdom that a general election in that country can be held within three or four weeks, is the government considering proposing any amendments to the Canada Elections Act at this session so that particular kind of improvement, as well as other changes might be made in our own election machinery?

Mr. Speaker: Order. I suggest to the hon. member that this is not a question which is so urgent that it requires an immediate answer on the part of the government. Perhaps it can be placed on the order paper.

Mr. Knowles: Are you sure, Mr. Speaker?

[*Later:*]

Mr. Knowles: Mr. Speaker, may I direct a question to the Secretary of State. Will the Canada Elections Act be referred to the committee on privileges and elections at this session for a study of possible amendments thereto?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I have not yet had an opportunity to discuss this matter with the house Leader or members of the government, so I am not in a position to answer at this time.

OLD AGE SECURITY

IMPLEMENTATION OF RECOMMENDATIONS OF SENATE COMMITTEE

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Does his suggestion last night in Regina, in which he expressed favour toward the recommendation of the Senate committee on aging that there be a guaranteed annual income for every Canadian citizen mean that he is intending to introduce such legislation in this house in the immediate future?

Mr. Speaker: Order, please. I wonder whether this question is not of the same type as the one asked by the hon. member for Winnipeg North Centre. I doubt that it should be answered at this time.

Mr. Thompson: Mr. Speaker, this question was raised last night by the minister, and from his speech it seemed to be something which he was intending to implement immediately as government policy.

[*Translation*]

LABOUR CONDITIONS

ENCOURAGEMENT TO UNEMPLOYED TO WORK IN GOLD MINES

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I have a question for the future minister of manpower. Since the shortage of skilled labour is one of the main reasons why a mine was said to be closing down this month in the Timmins area, could he tell the

house whether he intends to take steps to direct our Canadian unemployed toward the mining industry?

Mr. Speaker: Order. I suggest that the question is of such a general nature that it could be put on the order paper.

[*English*]

HIGHWAY SAFETY

MANDATORY SAFETY FEATURES FOR AUTOMOBILES

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, in the unavoidable absence of the Minister of Industry I direct my question to the Prime Minister. It is based on yesterday's announcement by President Johnson in which he asked that nation-wide safety standards for all vehicles be made mandatory if after two years the industry has not voluntarily adopted standards deemed necessary by the government.

My question is this. In view of the fact that codes relating to safety standards in motor vehicles are now being drafted by the government, can, the Prime Minster assure the house that the government will seriously consider such mandatory provisions for all motor vehicles produced in or imported into Canada?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, perhaps my hon. friend will permit me to look into this particular aspect of the question, so that I may give him a reply as soon as possible.

REQUEST OF COUNCIL FOR INCREASED GRANT

On the orders of the day:

Mr. P. V. Noble (Grey North): I wish to direct a question to the Minister of National Health and Welfare; I have given him notice. In view of the fact that the Canadian Highway Safety Council has ambitious plans for the promotion of all aspects of highway safety, will the government give early assurance that a respectable increase in the grant will be forthcoming for that organization?

Mr. Speaker: I suggest to the hon. member that this question be placed on the order paper.

Mr. Noble: I think this is important, because the council will be holding its annual meeting in May. It is a promotional meeting, and they want to know what funds will be available to them.

[Mr. Laprise.]

Mr. Speaker: If the meeting to which the hon. member refers is to be held in the month of May, there is a chance he will get a reply.

ADMINISTRATION OF JUSTICE

WINNIPEG—THEFT OF GOLD AT AIRPORT

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, my question is addressed to the Solicitor General. Can the minister advise the house as to the manhunt at present going on for the bandits who stole a gold shipment at Winnipeg airport on Tuesday night?

Mr. Speaker: Order, please.

CANADIAN CENTENNIAL

SUGGESTED RESTORATION OF GRAVE OF D'ARCY MCGEE

On the orders of the day:

Mr. B. S. Mackasey (Verdun): My question, Mr. Speaker, is addressed to the Secretary of State. Will the minister recommend to the centennial commission that as a centennial project the grave of one of the fathers of confederation, Thomas D'Arcy McGee, be marked with a suitable monument, and that funds be provided for the upkeep of that grave in the future?

Some hon. Members: Hear, hear.

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

CANADA PENSION PLAN

DEDUCTIONS FROM EARNINGS OF PART TIME FEDERAL EMPLOYEES

On the orders of the day:

Hon. J. A. MacLean (Queens): I wish to direct a question to the Minister of National Revenue, Mr. Speaker, and ask him whether instructions have been issued that Canada Pension Plan deductions must be made from payments to part time government employees such as members of boards of referees of the Unemployment Insurance Commission, even in cases where those deductions are also being made from the individual's regular earnings.

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, I shall have to look into the matter of what instructions have been issued. Generally speaking all wages which are paid are subject to pension plan deductions. Any employee's overpayments be-

cause of having too much deducted by employers are refundable to the employee at the end of the year.

Mr. MacLean (Queens): A supplementary question, Mr. Speaker. I should like to ask the minister if there is not some way in which this duplication can be avoided, by means of the use of social insurance numbers. I thought this was one of the purposes in having them. I should also like to ask what is the rate of interest which is paid on these double deductions when they are refunded.

Mr. Benson: Mr. Speaker, I shall be pleased to look into the matter, to see whether there is a method of avoiding the duplication of deductions when people have two jobs, such as being members of parliament and having some other occupation. However, I do not think any easy method can be found for avoiding duplicate deductions.

I do not think overdeductions made during the year would be subject to any interest payment at the end of that year. I should like to point out to my hon. friend that the maximum deduction under the Canada Pension Plan is $79.20, and that the amount of interest on a total deduction of $79.20 spread over the year would not be very much during the year.

Hon. Marcel Lambert (Edmonton West): I have a supplementary question for the Minister of National Revenue, Mr. Speaker. Is it a fact still that the Unemployment Insurance Commission will not be able to recover the overpayments where duplicate payments have been made in respect of members of the boards of referees and other officials?

Mr. Benson: Quite correct, Mr. Speaker.

Mr. MacLean (Queens): Another supplementary question, Mr. Speaker, I should like to ask the minister if the Canada Pension Plan Act provides for duplicate or triplicate payments. I am interested in the legal principle of this.

Mr. Speaker: Order, please. As the hon. member realizes, he is asking for an interpretation of law with respect to a statute. I suggest that type of question cannot be asked at this time.

[*Translation*]

HEALTH AND WELFARE

QUEBEC—REPORTED DEATHS FROM TRICHINOSIS

On the orders of the day:

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, may I put a question to the hon. Minister of National Health and Welfare? Is the hon. minister aware that the newspapers of my region are reporting cases of death due to trichinosis, and if so, does his department intend to take emergency measures to prevent the spread of the disease?

Mr. Speaker: Would the hon. member repeat his question? I was unable to hear it.

Mr. Mongrain: Yes, Mr. Speaker. Is the hon. Minister of National Health and Welfare aware that the newspapers of my region are reporting cases of death due to trichinosis, and if so, does his department intend to take emergency measures to prevent the spread of the disease?

[*English*]

Hon. A. J. MacEachen (Minister of National Health and Welfare): I understand that the provincial and municipal authorities are aware of this occurrence, and that the Department of National Health and Welfare will assist the province if requested to do so.

PENSIONS

POSSIBLE FREEZING OF OLDER WORKERS TO PRIVATE PLANS

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): My question is for the Minister of National Health and Welfare; I have sent him notice. Is it the intention of the government to introduce legislation which would freeze contributions by workers to private pension plans affecting workers 45 years of age and over, restricting withdrawals of contributions to 25 per cent?

Hon. A. J. MacEachen (Minister of National Health and Welfare): I appreciate the hon. member giving me notice of this question. I have looked into the matter, and though it affects my department it rests more directly with the Minister of Finance. I would be glad to take the question as notice for my colleague and let the hon. member have an answer later.

[*Translation*]

FIRES

MONTREAL—REQUEST FOR ASSISTANCE FOR FAMILIES AFFECTED

On the orders of the day:

Mr. Gérard Loiselle (St. Ann): Mr. Speaker, may I direct a question to the Prime Minister.

Inquiries of the Ministry

Can he give to the house information about the fire which left 30 families homeless in Montreal this morning? Can the federal government help those striken families?

Mr. Speaker: Order. There is no doubt that this question is urgent to a certain extent, but only in a certain area and I suggest to the hon. member to communicate directly with the Prime Minister's office or to put his question on the order paper.

[*English*]

NATIONAL DEFENCE

HEALTH AND MORALE OF NAVAL PERSONNEL IN BRAZILIAN WATERS

On the orders of the day:

Hon. D. S. Harkness (Calgary North): I have a question for the Minister of National Defence. Is the minister now in a position to answer the question I asked him a week ago with regard to conditions aboard the R.C.N. vessel *Cape Scott*?

Hon. Paul Hellyer (Minister of National Defence): I believe the report has now been received and I will be in a position to answer the question on Monday.

CANADIAN BROADCASTING CORPORATION

WINNIPEG—REPORTED SUSPENSION OF PRODUCER

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Secretary of State. I might say, Mr. Speaker, that I like addressing questions to a compassionate lady who believes in justice. My question is based on a report that a Winnipeg C.B.C. producer was suspended from a program that was supposed to be uncomplimentary to German troops in Canada. He says he has been relegated to devotional programs to "contemplate my sins". Mr. Edmunds—

Mr. Speaker: Order, please. Questions should not be prefaced by long statements. I would invite the hon. member to put his question.

Mr. Herridge: I have just arrived at that point, Mr. Speaker. Mr. Edmunds mentions that the statement he made was that no doubt the Germans were glad to leave our prairie weather, and that some Canadians were glad to see them go. That was an objective and true statement.

Mr. Speaker: Order, please.

[Mr. Loiselle.]

Mr. Herridge: Would the minister investigate the circumstances surrounding the suspension of Mr. Edmunds from his program?

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

REPORTED STRIKE DEADLINE BY WRITERS AND PERFORMERS

On the orders of the day:

Mr. Barry Mather (New Westminster): I have a question to ask the Secretary of State. Is the minister in a position to reply today to the question which her parliamentary secretary took as notice a few days ago, in relation to the dispute between the C.B.C. and some of its employees? I asked whether the minister could make a full statement with regard to the strike which is being proposed by the writers and performers.

Hon. Judy V. LaMarsh (Secretary of State): I have been in touch with the president of the C.B.C. on this subject and can report the following to the house.

As has been reported, the president of the C.B.C. has wired Mr. Comor of ACTRA offering to meet with him informally tomorrow to explain the reasons behind corporation policy in regard to increased work opportunities for Canadian talent. Mr. Ouimet informs me that he is meeting Mr. Comor for lunch tomorrow.

Mr. Comor has, at the same time, sent a telegram to the Prime Minister requesting a meeting with various members of the government to discuss the situation. Consideration is now being given by the government to this request.

As to the issues in dispute, I think the house should note there is no disagreement over the basic principle involved, namely that increased work opportunities should be provided by the corporation for Canadian writers and artists. The corporation's agreement with this principle has been stated several times both by its board and its chief executive officers, and was implemented in the C.B.C.'s announcement of February 23 that it has committed an additional $850,000 of its 1966-67 operating budget to provide increased work opportunities for ACTRA members. This represents a very substantial increase, about 20 per cent, in funds committed to this specific purpose.

The point currently at issue is whether this public commitment should be formally written into the union contract as a work guarantee. The corporation, for its part, has taken the position that such a procedure would be

unacceptable in that it would limit essential program flexibility. The result of such a step, in the C.B.C.'s view, would be of real benefit neither to its performers nor to the listening and viewing public.

Mr. Speaker, that in brief is the current situation, I am informed.

Mr. David Lewis (York South): On a point of order, I respectfully submit that the Secretary of State has done an injustice to the bargaining procedure by making a statement in this house which sets out the reasons why the employer refuses to put something into a collective agreement, without at the same time telling us the reasons why ACTRA want it put into the agreement. I, as one member, object to this being done.

Mr. Speaker: The hon. member has not referred to the standing order which the Secretary of State is supposed to have transgressed. I suggest there is no point of order. There may be an argument, but no more.

Mr. R. Gordon L. Fairweather (Royal): Would the Secretary of State advise the house whether there is an application before the Canadian Labour Relations Board for recognition of the Société Générale de Cinéma et de Télévision, and if so, what is the government's attitude toward such an application?

Mr. Speaker: Order. The urgency of this question is not readily apparent. I suggest the hon. member put it on the order paper.

LABOUR RELATIONS

SARNIA—REQUEST FOR CONCILIATION BOARD AT POLYMER PLANT

On the orders of the day:

Mr. Walter F. Foy (Lambton West): I have a question for the Minister of Labour. Has the minister any up to date information on the progress of negotiations between O.C.A.W. and Polymer Corporation?

Hon. J. R. Nicholson (Minister of Labour): I think I answered that question yesterday. Perhaps my hon. friend would look at *Hansard*.

Some hon. Members: Oh, oh.

Mr. Foy: On a question of privilege, I was wondering whether the minister had some up to date information.

Some hon. Members: Oh, oh.

Mr. Nicholson: I think that inquiry merits an answer. At the request of the union concerned, a conciliation officer has been designated; he is probably in or on his way to Sarnia now following the matter up.

Mr. Foy: I appreciate that.

Mr. Nicholson: Thank you.

CANADA LABOUR CODE

INQUIRY AS TO DEFERMENT APPLICATIONS BY RAILWAY COMPANIES

On the orders of the day:

Mr. David Orlikow (Winnipeg North): I wish to direct a question to the Minister of Labour and ask him whether he has reached a decision yet on the application of the railways for deferment under part I of the Canada Labour (Standards) Code. If not, when will he be making that decision?

Hon. J. R. Nicholson (Minister of Labour): The matter is under study.

Mr. Orlikow: Is the minister aware that in meetings with the unions concerned his deputy minister assured the unions that an early decision to end deferment would be made?

Mr. Nicholson: Of course I am familiar with the announcement made by my deputy, but I said a decision has not yet been made. When it is made it will be announced.

[*Translation*]

PUBLIC SERVICE

REPORTED STATEMENT BY MINES MINISTER RESPECTING BILINGUALISM

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I wish to direct a question to the Prime Minister.

In a speech made in Montreal, the Minister of Mines and Technical Surveys (Mr. Pepin) stated that the government would make an announcement to the effect that bilingualism would be one of the criteria for promotion within the civil service.

Can the Prime Minister tell the house if the government intends to take such action soon?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this matter has been under consideration for some time by an interdepartmental committee. That committee has made its report, and the report has been considered by a cabinet committee of which I was chairman. The cabinet committee now will be reporting to the full cabinet, and I will be making a statement in this house on the matter next week.

Inquiries of the Ministry

EXTERNAL AFFAIRS

GHANA—INQUIRIES AS TO PRESENT POSITION

On the orders of the day:

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, may I ask the Prime Minister whether the government has any information to confirm the news stories reporting that the deposed leader of Ghana has today been installed as the new leader of Guinea.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, as my hon. friend knows there has been a loose constitutional relationship for some time between Guinea and Ghana, which are separated by the territory of the Ivory Coast. This loose constitutional relationship might now become a closer one, but we have no official information on this as yet.

Mr. Heath Macquarrie (Queens): Mr. Speaker, I also have a question for the Prime Minister concerning Ghana.

An hon. Member: Not Guinea?

Mr. Macquarrie: No, not Guinea. In view of reports that nationals of certain countries are being asked to withdraw from that country, has there been any interference with Canadians in Ghana, or any suggestion that they be returned to this country?

Mr. Pearson: No, Mr. Speaker. On the basis of the latest information I have received there has been no interference with Canadians in Ghana.

Perhaps I should clarify my earlier answer when I spoke about the loose arrangement between Guinea and Ghana becoming closer. I had in mind that there might be a closer relationship between Guinea and the former head of state of Ghana.

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is also directed to the Prime Minister. In the light of the almost certain attempt of the former president of Ghana to return to his country, and in the event of hostilities ensuing between the present regime and his forces, is this government prepared to make any statement regarding its position in the event of such hostilities breaking out?

Mr. Speaker: Order, please. This question at this time appears to be hypothetical.

THE CANADIAN ECONOMY

STEPS TO MEET INCREASE IN COST OF LIVING

On the orders of the day:

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, my question also is addressed to the Prime Minister. Has the government any plan or policy which will deal effectively with the rapidly rising cost of living which now is a hardship on so many Canadians of limited means?

Mr. Speaker: The question is in very general terms and refers to a matter of policy, and should not be asked at this time.

TELEVISION

PUBLIC CALL FOR BIDS RESPECTING CHANNEL TRANSFER

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, my question is addressed to the Secretary of State. In the light of the fact that the Board of Broadcast Governors will not be hearing the application for transfer of channel 3 on April 26, could the minister tell us whether the board will now call publicly for other bids in respect of this public channel?

Hon. Judy V. LaMarsh (Secretary of State): No, Mr. Speaker. My information is gleaned from the same source, I assume, as the hon. member's information; that is, the newspapers.

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, my question is for the Prime Minister. Has the right hon. gentleman any other plans for reform of the other place?

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Secretary of State. Could the hon. lady inform the house whether she is aware of and taking any action in respect of the possibility of a demonstration by the members of the C.S.N. in Montreal, Quebec city or Ottawa?

Hon. Judy V. LaMarsh (Secretary of State): I am sorry, Mr. Speaker, but I do not know to what the hon. member refers; what demonstration?

AIR TRANSPORT

REQUEST FOR ASSISTANCE FOR REGIONAL SERVICES

On the orders of the day:

Mr. K. H. More (Regina City): Mr. Speaker, my question is directed to the Minister of Transport. In view of the uncertainties surrounding regional air services these days, may we expect an announcement of policy from the government which would enable these services to maintain their present runs?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I think not too soon.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, in connection with that announcement, would the minister consider the possibility of a subsidy to these regional air lines?

Mr. Pickersgill: I should think any reasonable proposal would have to be considered.

ADMINISTRATION OF JUSTICE

VICTOR SPENCER—REQUEST FOR TABLING OF CORRESPONDENCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, yesterday the Prime Minister referred to two letters which the government had received from its pen pal, Victor Spencer, and I asked whether the government would table those letters. Did the Prime Minister come to any decision?

Right Hon. L. B. Pearson (Prime Minister): The first communication signed by Mr. Spencer is one which could not possibly be tabled on security grounds and in the public interest.

Mr. Diefenbaker: To whom was it directed?

Mr. Pearson: It was a statement directed to the officials who had conferred with him, and signed by Mr. Spencer. As my right hon. friend the Leader of the Opposition will understand, since he was Prime Minister, there are many things in this communication which could not be made public without prejudicing the security services of the state.

As I think I indicated yesterday, the other communication was addressed "To whom it may concern". It was a letter drafted by Mr. Spencer and made available to certain officers, doctors and nurses who had been looking after him. It was dated in January. Although I would have no objection to making it public, I do not think this could be done without Mr. Spencer's approval.

Mr. Diefenbaker: What date was it?

Mr. Pearson: January 15, 1966.

Mr. David Lewis (York South): Mr. Speaker, this question is supplementary to the question asked by the Leader of the Opposition. Would the Prime Minister inform the house whether the government received any letter from Mr. Spencer's solicitor in Vancouver at about the same time as the letter of January 15, and whether that letter has as yet been answered; and if not, when it is intended to answer it.

Mr. Pearson: Mr. Speaker, to the best of my knowledge the only communication I received—although I would be glad to check the files—from his solicitor concerning the Spencer case was one requesting the order in council which dealt with the dismissal. That was answered and the order in council was sent to him.

Mr. Lewis: Mr. Speaker, I have a supplementary question. Perhaps the Prime Minister said this and I may not have heard him. Would the Prime Minister look into the question of whether the solicitor followed up that letter with another letter asking for a further explanation?

Mr. Pearson: I would be glad to look into that and consult my colleagues who might have received something.

CANADIAN NATIONAL RAILWAYS

REQUEST FOR INVESTIGATION INTO GASPÉ-MATAPEDIA SERVICE

On the orders of the day:

Mr. J. R. Keays (Gaspé): Mr. Speaker, this question is addressed to the Minister of Transport and is further to my question which I asked on February 22. I wonder whether the minister has looked into the possibility of an inquiry into the passenger transportation service given by the C.N.R. on la Baie de Chaleurs.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I did direct the hon. gentleman's previous inquiry to the appropriate authorities and I have not yet received a report, but I will make inquiries.

• (3:20 p.m.)

SUPPLY

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

Mr. Fulton: Mr. Chairman, may I ask whether the Minister of Northern Affairs and National Resources, who is the Acting Minister of Mines and Technical Surveys and who we understand is going to assume the responsibility for these estimates today, intends to make an opening statement? I may say that we urge him to do so because I think it would have the effect of shortening the debate and that is the desire of all hon. members.

Mr. Pickersgill: Mr. Chairman, I think I misled the committee inadvertently last night when I tried to guess who would be the acting minister. I thought it would be the

Minister of Northern Affairs and National Resources. I now think it is the Minister without Portfolio. I do, however, stand by my statement of last night in that the Minister of Northern Affairs and Natural Resources is perhaps the greatest expert on water in the house. I am sure he will be glad to assist the second greatest expert, who is the Minister without Portfolio, and I know that in that event the house will be well illuminated on the subject.

Mr. Knowles: On a point of order, Mr. Chairman, can we have it clear what the order of business is for the day? According to *Hansard* of yesterday we were supposed to revert to the estimates of the Department of Justice today. I know that the government house leader spoke to me during the lunch hour as to the possibility of making a change but it seems to me that we should have it regularized. We in this party were expecting to go back to the justice estimates today and if we had a choice that is what we would be doing.

Mr. McIlraith: Mr. Chairman, I readily admit that there is some real ground for confusion as to which estimates were to be called first today. Unfortunately I had to leave the chamber last night before the adjournment. A good deal of discussion took place in my absence and matters took a change with a rather different outcome than I had anticipated.

Perhaps I can clarify this matter now in an effort to move forward in an orderly way. I should say that we will first be calling the estimates of the Departments of Mines and Technical Surveys, Northern Affairs, Labour, and Citizenship and Immigration. In view of what I believe is the wish of some hon. members I will undertake that we will call the estimates of the Department of Justice first tomorrow, when we reach the stage of calling estimates, regardless of which estimates we have before us when we adjourn tonight.

Mr. Knowles: Mr. Chairman, if that undertaking is as clear as I understand it, namely that no matter which estimates we are considering at the adjournment tonight we will take up the estimates of the Department of Justice as the first estimates to be considered tomorrow, we will be happy with that arrangement.

Mr. McIlraith: Mr. Chairman, I have indicated the first four departments we propose to call today, but I should like to feel free to call any of the other departments except justice later in the day. I will be in consultation with the leaders of the parties during the afternoon as to what estimates we should call after the estimates of the Department of Citizenship and Immigration.

Mr. Kindt: On a point of order, Mr. Chairman, I should like to ask the house leader whether he thinks it is correct and proper to consider the estimates of the Department of Mines and Technical Surveys in the absence of the minister.

Mr. McIlraith: Yes, Mr. Chairman, I think it is for several reasons, the main reason being that the matter was settled yesterday by the members of this house. That having been done, I think it is completely correct and proper for these estimates to go forward without the minister being present.

Mr. Starr: Mr. Chairman, perhaps I may say a word or two on this matter. I fully agree with the government house leader that in the circumstances in which we find ourselves now, where there is a willingness to make a co-operative effort to try to deal with these estimates, we almost have to schedule ourselves from day to day depending on the circumstances. It is quite agreeable to us to follow the program outlined. We realize the minister was not here but we agreed last night to another minister piloting these estimates through the committee. We are very happy that the young Minister without Portfolio, with the assistance of the Minister of Northern Affairs and National Resources, will be able to get his feet wet today. We are agreeable to the program that has been outlined.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I must say that we are somewhat surprised at the turn of events.

In fact, we learn at this very moment that the first estimates coming up today are those of the Department of Mines and Technical Surveys, and that after that we will consider those of Northern Affairs and National Resources.

We thought we would start with the Department of Justice and the government house leader did not deem it necessary to notify us. We have had no notice this morning that we would start consideration of the estimates of the Department of Mines and Technical Surveys, and that we would then carry on with those of the Departments of

Northern Affairs and National Resources, Labour, and Citizenship and Immigration.

I think that, as far as the other departments are concerned, the government house leader would do well to keep us informed of what is happening, as otherwise there will come a time when we will have to object, if we are given only two minutes notice about the business of the house.

Mr. Caouette: Mr. Chairman, we do want to co-operate with the minister and go on right away to consideration of the estimates of the Department of Mines and Technical Surveys, but the house leader has known for a few days that the Minister of Mines and Technical Surveys (Mr. Pepin) would be away from Ottawa.

Why did he or the government not allow the house to consider the estimates of the Department of Mines and Technical Surveys while the minister was here?

An hon. Member: That is what we wanted to do yesterday.

Mr. Caouette: Mr. Chairman, that should have been done at the time because it was known beforehand that the minister would be away.

Mr. Lewis: We tried.

Mr. Caouette: As I have just said, we do want to co-operate, but the hon. member for Lapointe (Mr. Grégoire) is quite right when he asks that we be advised beforehand about the business that the house leader wants us to consider.

[*English*]

Mr. McIlraith: Mr. Chairman, perhaps I should clear up two or three matters. First of all, on February 9 the expected absence of these ministers was announced, so that members of the house could have that information. I have tried my best to call the estimates of the various departments in a way that would be agreeable to most members of the house and I worked as closely as I could in co-operation with the house leaders to arrange a suitable sequence. Having said that, I have to plead guilty to the latter charge of not having advised the house leaders in time as to what department we would call first. But I must say that my difficulty in that connection was very real, because I did not know this morning what departments we would call or in what order they would be called. I could not very well advise anyone about something I did not know. I apologize, however, for any embarrassment which this arrangement for today may have caused hon. members.

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

Administration services—

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, $2,506,600.

Mr. Fulton: Mr. Chairman, now that we have settled the question of what business we will actually be dealing with I hope we may expect that before too long the government will settle the question of which ministers are responsible for the various aspects of business. It seems to me that we have seen today an example of the hopeless and confused state of administration on the part of the government. One can but hope, bearing in mind the important matters and problems that are confronting us, that this situation will be cleaned up as soon as possible. I do not know whether we are supposed to expect answers from two ministers. I see that the senior acting minister is leaving so I suppose—

• (3:30 p.m.)

Mr. Churchill: He is coming in again.

Mr. Fulton: Then I beg his pardon.

Mr. Pickersgill: You will have a double dose.

Mr. Fulton: I take it that the two ministers, the Minister of Northern Affairs and National Resources and the Minister without Portfolio, will be answering questions. I should like to repeat my question, which I thought was a simple one although it gave rise to a good deal of rather confused discussion. Does either of the ministers propose to make an opening statement with respect to the work of the department and particularly with respect to the policies which will guide the government as it sets up and administers the new Department of Energy, Mines and Resources?

Mr. Laing: Mr. Chairman, I want first of all to thank members of the committee for having permitted us to proceed in this way. I am quite certain that all of us regret very much that the Minister of Mines and Technical Surveys has been called away today. The Minister without Portfolio and myself will do our best to deal with the estimates and endeavour to answer all the questions put to us.

The only preliminary statement I would make, and it will be very short, is that I

think there is general agreement in the house, and certainly I feel there is in the country, that there is a great advantage in bringing together under one department the consideration and administration of the resources of Canada so far as they come within the federal responsibility.

We are a resource rich nation and I would remind my hon. friend from Kamloops, who knows this as well as I, that in the field of resources those resources which lie within each separate province are jealously guarded by the province concerned. After all, the resources that lie there are their main sources of revenue; they are the main means by which they can develop industry and enhance the economy within their own provincial boundaries. It would be unusual, indeed I think we would agree that the provinces would not be doing their duty if this were not the case, if they did not keep a jealous eye on their resources.

However, from a national point of view we must recall that the resources of Canada were not shared equitably when they were placed by divine Providence. We must remember too that there are tremendous advantages in using these resources as broadly as we possibly can and living off of them within Canada without importing by extending the products of resources, for example, power, to more than one province. Therefore there is a very great place for a national policy, national incentives and national leadership.

That being the case, Mr. Chairman, the Prime Minister decided in co-operation and consultation with the ministry to put the resources of Canada in their national context under one minister. I wish to compliment that particular minister because he has been placed in charge of a most interesting department dealing with falling water, electrical energy, thermal energy, atomic energy, the possibility of having strings of wire across this country serving more than one province and the study of the rivers of Canada. Again, Mr. Chairman, the hon. member for Kamloops and I are very conscious of those values to the provinces themselves since we come from British Columbia where we think we have a potential in excess of 30 million kilowatts of falling water electrical energy alone. We have in recent years gone a very great way forward in supporting the provinces in these fields and I am quite certain that with the new dispensation in respect of the department we shall move forward very quickly indeed.

[Mr. Laing.]

I think there is general agreement within the house that the new minister is young, energetic and extremely able. I believe he will develop this department very well indeed and to the great credit of Canada. What we want to do, in all these matters, without invading the rights of any province, is to bring together the collective advantages of the resources that lie within the provinces and utilize them in such a way in a national sense that, hopefully, they will mean more than a simple addition to the resources within the various provinces. That is our objective, of course.

I wish to pay a compliment now, as I have before, to the work of one of my predecessors who in 1961 convened the resources conference in Montreal. I have said, and I say again, that I wish this great report were required reading for every Canadian because there is contained in it a tremendous amount of valuable information concerning all Canadian resources.

I hope the new minister will redouble the efforts we have made in recent years to bring together the resource ministers of the 10 provinces and keep in constant touch with them in order to get their co-operation, add together the collective resources of the individual provinces and by a national and purposeful policy make them more valuable than they are today.

Mr. Fulton: Mr. Chairman, I thank the minister for having made this statement although I would wish it might have been somewhat more enlightening as to the bases upon which this policy is to rest. I think this would have been helpful in that we do not wish to prolong debate at this stage for a variety of reasons but we would like to have had a statement on the position of the government. Such a statement could have been considered in the meantime and would have served as a starting point in considering the estimates of the year 1966-67 when they come before us.

In light of the fact that we are prepared to extend our co-operation with respect to expediting the passage of these estimates, I think we might well have been favoured with a somewhat more detailed statement of the position.

However, perhaps we can leave it on the basis that during the course of what I have to say I will serve notice as to areas which we feel are of greatest concern and which we will discuss when the new estimates are before us. At that time we shall expect the

fullest information. We take this position because we do not feel we should take very long in the discussion of these estimates. After all, although we have a new minister these are the old estimates for the year 1965-66. Eleven-twelfths of them have now been spent. We intend therefore to leave the main discussion for the 1966-67 estimates, at which time I think the new minister, to whom we extend the best of personal good wishes as he undertakes these very important responsibilities, will perhaps be more fairly expected to be thoroughly conversant with the matters about which he will be questioned.

But we are dealing here with what is one of the most important fields included within the area of government responsibility. We therefore do not intend just to pass this subject by without stating some of the considerations which we think should apply in developing policy in this field. After all, Mr. Chairman, the field of resource policy, which embraces the whole complex and vital area of water use, the area of energy development, distribution and marketing, the area of mines and minerals development and the policy regarding the disposition of the products of the mine—all this comprises a policy field which to no country is more vital than to Canada.

• (3:40 p.m.)

For it is true that in this area there lies the potential for Canada's future greatness. It is also an important and basic truth that in wise policies and only in wise policies for the development and conservation of our resources in these areas lies the answer to the question of whether we shall have a Canadian identity and continue in the future to exercise control of our own affairs. In the existence or in the absence of such wise policies lies the answer to the question of whether or not we slide down the slope called continentalism into the extinction of anything which might be called nationhood on the basis of which we could have a separate Canadian identity.

This is the vital question, the solution to which I feel lies in the fields we are discussing today, the fields of energy, mines and resource development and the development of policies which should govern those fields. We will naturally be expected to watch the government and to watch the new minister with the greatest interest, and we are entitled to expect from the new minister and the government an early and full declaration of the policies and the principles which will guide the new department which has the opportunity to play such a fundamental role in the future of Canada. We shall then serve notice now as to some of the areas about which we will expect full discussion and action by the time the estimates for 1966-67 are before us. I should also like to lay down on behalf of the Conservative party some of the principles that we feel should guide the development of policy in this field.

We feel, first, there should be the earliest possible assessment of Canada's full potential in terms of resources and of Canada's full potential requirements for those resources. After all, a knowledge of your inventory and a knowledge of your needs is the cornerstone of any sound policy. We hope, therefore, to receive assurances that there will be, by means of the conference of resource ministers and other agencies, the earliest and most aggressive pursuit, in co-operation with the provinces, of the completion of the inventory of Canada's storehouse and of the inventory of Canada's present and future requirements.

Second, we urge upon the government that all policy and action in this field be based upon the general principle of conservation to meet Canada's known and potential requirements. There should be a statement of the perimeters of these requirements and of this principle as the basis upon which all Canadian policy will be founded, and without it there should be no negotiation or consideration of negotiation for the disposition of these resources beyond our borders.

Third, and equally important, of course, as a cornerstone of policy in this field, is the necessity of the utmost co-operation with the provincial governments in every aspect of resource development policy. This has been alluded to by the Minister of Northern Affairs and National Resources and I confirm my complete agreement with him in his statement of that position. I think it is important not just to say we intend to co-operate but that we should avoid taking any position in this area, especially publicly, which appears to involve a statement of federal policy and objectives in an area which lies within provincial jurisdiction before the matter has been discussed fully with the provinces. I think it is not unnatural that the provinces are expressing concern about these matters and about the future of confederation when they find that so frequently the federal government is stating publicly its objectives and its positions on matters which are also of provincial concern, without such discussion. I

have referred to this matter before and I am not going to go into detail again. But such a course naturally rouses the greatest resentment on the part of the provinces and is the one thing calculated to frustrate co-operation rather than advance it.

Fourth, sir, I would lay down as a basic principle which should serve as a guidepost of policy the co-ordination of federal agencies and the working out of sensible, steady and progressive federal initiative for action. We have had some discussion already of the proliferation of agencies in the field of water use and control policy. I have a feeling there are similar examples of the proliferation of agencies and committees in many other areas of resource development and policy. Therefore I endorse, on behalf of the Conservative opposition the general statement made a moment ago by the minister of Northern Affairs and National Resources when he said that there was great advantage in bringing together in one department the consideration and administration of the resources of Canada in so far as they lie within the field of federal responsibility. That is an admirable statement of the purpose to be served in the setting up of the new Department of Energy, Mines and Resources.

Unfortunately, sir, it is a statement of purpose which far transcends the pattern already set by the actions which have been taken, from which we must gather what will be the final result. Here we come to the very important consideration of the details of administration in this field. Certainly we should have co-ordination of responsibility for the development of policy with respect to the resources of Canada gathered in one department and made the responsibility of one minister. But this is far from what we are going to have.

If you look at the Order in Council P.C. 1965-2284, contained in the *Canada Gazette* for January 12, which transferred to the Minister of Mines and Technical Surveys, as he now is, responsibility for the administration, and duties and authority which we understand are to be his when legislation formally setting up the department is introduced and passed, you will find there is a very important and very substantial gap in the sphere of his responsibilities. A huge hole has been torn out of the side, as it were, of the structure which is here being erected.

• (3:50 p.m.)

I refer, of course, to the conspicuous omission from the sphere of the new minister's responsibility of the whole of resource policy for the Yukon and Northwest Territories. Just think of the implications of this, Mr. Chairman, in the light of what the Minister of Northern Affairs and National Resources said when he was making his statement about bringing together under one department consideration and administration of the resources of Canada in so far as they lie within the field of federal responsibility. The only area where the federal government has undivided and exclusive jurisdiction is in the territories, an area of vast importance in terms of the amount as well as the strategic importance, of the resources of Canada. Yet, sir, as I read this Order in Council—and I may say I checked this also with the minister's office—this whole area is to be left out of the responsibility of the person who will be minister of the new Department of Energy, Mines and Resources. It will be left presumably with the Minister of Northern Affairs and National Resources.

Now I can well understand the conflict which has been going on here and I can well understand the position of my hon. friend who is a minister from British Columbia. I like to see him have a good deal of administrative responsibility. I also understand his reluctance to part with that responsibility. This is an important and a growing area; it is an area of increasing importance in the policies of the government of Canada. But it is illogical in the extreme—"illogical" is a mild word; a far stronger word would do—to allow personal considerations to govern the sound administration and sound outline of government policy.

In fact it is farcical, and I do not hesitate to use that word, to set up a department with a great fanfare and to say: We are now going to co-ordinate policy in the field of resource development, and then to carve out of it one of the most substantial and important areas, if not the most important area, in the field of federal responsibility, leaving the minister responsible for resource policy co-ordination and development with only part of the jurisdiction.

Compare what is happening, Mr. Chairman, with the expectations aroused by the Prime Minister when he was discussing the setting up of this department. I should like to refer to a report in the Toronto *Star*, which I do not think could be considered unfair to the

government. In its issue of December 18 last, there was the following:

A department of resources and energy.

The aim here is to bring all energy and resources affairs under one cabinet roof.

Certainly that is a logical and proper objective. The article continues:

At present they're scattered among a number of departments and ministers.

The new department—under Quebec's 41-year-old Jean Luc Pepin—will take on the job of producing a national water policy, and this involves the hot issue of exports to the water-hungry United States.

How can you have, Mr. Chairman, a national water policy administered by the Minister of Mines and Technical Surveys when one half of the responsibility, one half of the area of our water resources, is excepted from his jurisdiction? The article continues:

"One focus of federal responsibility is needed," said the Prime Minister in his announcement of the new department, "in order both to make possible closer co-operation with the provinces and with industry and to achieve a more integrated national (energy) policy."

What the Prime Minister said is a statement of fact with which we are all in accord. So why did he not carry this policy out? Why did he not set up a department which would reflect in fact the statement of principle he enunciated?

Let me make this quite clear, Mr. Chairman. It is not our suggestion that responsibility for the administration of northern lands or of lands in the territories should be taken from the Department of Northern Affairs and National Resources and vested in the new Department of Energy, Mines and Resources. But we do say that the responsibility for the development and co-ordination of policy in the resource field—responsibility in the whole field of resources embraced within the compass of this new department—should come within the purview of the minister of that department.

There is nothing new in the idea of responsibility for the development and co-ordination of policy being with one minister, and the detailed administration being with another. I want to make it clear that we do not suggest that the new department be burdened with or have added to it the responsibility for the administration of northern lands or resources. But we do say that it is incongruous, that it is a contradiction in terms, in purpose and in fact, to say that you will set up a department responsible for the development of policy in the field of resources and energy and then to except from its responsibility with respect to policy probably one half, certainly a very substantial portion, of that field so far as it lies within the responsibility of the federal government. So I give notice now that unless the legislation setting up this department takes account of these views and includes responsibility for development and co-ordination of resources policy overall, it will fail to command our support.

There are a number of other areas with regard to which we think we should serve notice now. One is the field of hydroelectric power so far as it lies within the jurisdiction of the new department. Recently some very far reaching announcements in this field have been made, announcements which I am sure will have aroused a measure of approval and support on the part of all the people of Canada. I am sure that none of these is more characteristic in that respect than the announcement of agreement between the government of Canada and the government of Manitoba with respect to the Nelson River project. This announcement, in the light of the general information so far available as to the basis of agreement, has our full support.

Incidentally, we note that the exchange of letters between the Minister of Mines and Technical Surveys on the one hand and the premier of Manitoba on the other does indicate that one of the objects of the arrangement is to ensure that from this great project there will be a potential supply of power to neighbouring provinces, the immediate ones being, of course, Saskatchewan to the west and Ontario to the east. This brings to mind at once some questions in the field of power development which we think important to raise now, because the relationship of the Nelson river project to these questions typifies the situation which we find in many parts of Canada.

We are in full support of the Nelson River project and we will support its implementation and completion at the earliest possible date. But we are critical of the federal government because the government has not made clear its ultimate plans and intentions. We believe we in this house are entitled to, and the country requires, an early statement on ultimate plans and intentions not only with respect to the Nelson River project but also with respect to the whole question of power production and distribution in Canada generally.

Again bearing in mind that this must be a co-operative field so far as resources within

provincial jurisdiction are concerned, there is nevertheless urgent need for the federal government to work out with the provinces a policy and to let us know how these great projects such as the Nelson fit into that policy, particularly with respect to a national transmission grid.

Because we attach particular importance to this field we decided that it would be appropriate for me, on behalf of our party, to write a letter to the Minister of Mines and Technical Surveys before discussion of his estimates commenced today. I will be frank and admit that the letter did not give much notice and therefore I will not complain if no full answer is given. Indeed, we have now agreed to leave detailed discussion of these matters until a more appropriate occasion but I think I should place on record now, so that it will be available and will be in context for consideration of the matter, the general outline of what concerns us here and the information which we think we should have.

I should like to quote from that portion of my letter in which I deal specifically with these questions. I start as follows:

> Specifically, we would wish to receive information—possibly by way of an opening statement by you—on the following:
>
> 1. Progress made in, and the present status of, studies of a national transmission grid, with specific reference to the current view of the feasibility of such a grid and any estimates of the timing and staging of its construction.
>
> 2. The policy and plans of the federal government with respect to furthering the project.

● (4:00 p.m.)

> 3. The relationship between a possible national transmission grid and the Nelson River project, and an outline of plans for the integration of the Nelson River Project into the national grid.
>
> 4. The same information as requested in paragraph 3 above, with respect to the Hamilton Falls (Brinco) Power Project. Have any discussions been held, or are any contemplated, with the provincial governments concerned in this regard? If discussion have been held, what has been the result?
>
> 5. The same information as sought in the last two preceding paragraphs with respect to the Columbia and Peace Power Projects.
>
> 6. What studies have been made of potential power development on the Yukon River? What is the present thinking on the integration of such developments into an east-west transmission grid?
>
> 7. In the light of certain projections which seem to indicate that, as the market load requirements in Canada grow in the future, and as other sources of energy—including atomic power—become more available, hydro power will be used more for peaking purposes, it is important to obtain some factual—

The word in the letter is "actual" but it should be "factual".

> —information as to the economic factors involved. Specifically, it would be desirable to have information as to the comparative costs (actual and potential) of production and distribution of hydro power in the various regions of Canada; and as between Canada and the United States. It will be appreciated, therefore, if you will be prepared to answer questions in this field as well, in the course of the discussion of your estimates.

[Mr. Fulton.]

Sir, it may be that the minister will feel that he can give us some answers in this area now. I think he will agree with me that in the field of energy these are very important questions to have answered and that it is essential for the government to have an over-all program or plan and an over-all objective in mind with respect to the use of a national power grid, and to have this clearly concerted with the provinces in order that they may intelligently discuss and make arrangements with respect to that now and so that the various individual power projects as developed will fit into that concept.

One other area, sir, that perhaps should be mentioned is the area of water use and pollution. A number of questions have been asked in this session on orders of the day, I regret to have to say that so far most of these questions have not been answered. They have been met generally with such statements as "We are going to discuss that with the chairman of the International Joint Commission tomorrow" or "we will discuss it with the Ontario government next week" or "this is one of the matters which will come up for discussion with the government of the United States the week after next". But we have had no answers to our questions so that we might be able to discuss the problem here, in the House of Commons, this week.

We have not had any answers which have indicated an intention, for instance, to get on with the job of instituting a program of anti-pollution and de-pollution in the Great Lakes system. I certainly hope that this is one of the areas the minister will be discussing in Washington. This is one of the areas that he should have discussed two weeks ago with the government of Ontario rather than tomorrow or next week. I hope the government will lose no time in getting on with the discussion of this and other very important and pressing matters in the field of water use and pollution.

One could go on, Mr. Chairman, with an outline of the important considerations in the field of oil and gas development. We have seen again very important announcements made in the last 48 hours in this regard. I should like to ask the minister if he would let us know about that situation before these

estimates carry or perhaps answer this question. What, if any, further clearances at the federal level, either by the government or any agency of the government, are required in order to implement the applications to which reference has been made in the press recently, that of Trans Canada Pipe Lines Limited on the one hand and that of West Coast Transmission on the other.

The application of Trans Canada Pipe Lines Corporation is to build a line south of the lakes through to Sarnia and that of West Coast Transmission is to double or, as I am told, triple the rate of export of natural gas to El Paso. What further steps involving federal approval are necessary in these matters?

In view of the undertaking we gave to expedite the consideration of these estimates, and in view of the desire of other hon. members both in this and other parties to participate in the discussion, I think I should conclude now. There is a great deal more I had wanted to say. But I think I have said enough to convince the minister that we are expecting much from this department and from the co-ordination that should follow in the policy fields I have mentioned.

We shall be expecting much and we shall be holding the government very strictly accountable primarily because in the whole field, the field of wise plans for the early development and use of our resources on the one hand and the field of wise policies with respect to their conservation to meet the requirements of future generations on the other, lies the basic solution of the problem of whether Canada is to maintain her identity as a nation. I assure the government that we have every good wish for the success of the minister in his work but we shall be holding him strictly accountable in that light.

The only other matter I wish to mention is the responsibility of the department with respect to the Dominion Coal Board. My hon. friend from Cape Breton South has already indicated his intention to raise questions in this respect and with respect to the details of the implementation of the government's promise made at election time that $25 million would be available for Nova Scotia coal, a promise delivered in person by the Minister of National Health and Welfare. I think the Minister of National Health and Welfare should be here to explain his promise and to answer with respect to its implementation, while my colleague from Cape Breton South takes it up in detail.

Mr. Herridge: Mr. Chairman, I cannot resist once again congratulating the hon. member for Kamloops and the Progressive Conservative party for swinging in behind the New Democratic Party in support of our demand for a national water policy. It does my heart good to see us co-operating in this respect. I know other hon. members want to make a few remarks—

Mr. Fulton: I shall have to reassess my position if I find the hon. member's party is such an ardent ally.

Mr. Herridge: The hon. gentleman need not reassess his position. He will be following a good lead. Like the hon. member, I should have liked to hear the minister give more information as to the government's purposes and objectives with respect to a national water policy. I realize the difficulties. The government must recognize the responsibilities of the provinces. There will be conferences and discussions and a water policy is not going to be devised overnight. I should like to have the minister tell the house what the government's purpose is and what its objectives are so far as the future is concerned. Like the hon. member for Kamloops—I am quite sure hon. members have heard me say this on a number of previous occasions—we believe that there is a necessity for an inventory of our water resources in Canada and an inventory of our needs for this generation and for some generations to come.

I want once again to pay tribute to General Andrew McNaughton who recently brought this matter to the attention of the Canadian people through an address to the Engineering Institute of Canada and, I think, to the Canadian Club in Montreal during the election. I notice that various candidates discussed the questions he raised more fully after his address. In that connection may I draw the attention of hon. members to an article written by Mr. Walter Stewart, found in the *Star Weekly* magazine of February 26, 1966. I want to quote briefly from the article because I think it says very succinctly what the hon. members for Kamloops and Kootenay West wish to say in this regard:

> We were "skinned alive".
>
> "With the knowledge that water is going up in value 10 or 15 per cent a year . . . the average over the 30 years (the first stage of the treaty) can certainly be taken at $10 an acre foot. To show you that's not unreasonable, the value of water today in a citrus field is about $70 an acre foot. So 15.5 million acre feet made available is $155 million a year—

The reference to $70 an acre foot is in the United States.

• (4:10 p.m.)

The value for power purposes was put at $501 million for 30 years, whereas if you take $155 million a year as the figure, even allowing the Americans a good discount because they are paying in advance, you'll find it works out to $2.65 billion over the 30 years.

"In other words, the consumptive uses of the water, which are not provided for in any way in the treaty, are worth five times more than the power benefits paid Canada."

I am glad to see that the house is not divided on this occasion and that the majority of the members here are not going to let this happen again so far as the disposal of our water resources is concerned.

Recently I had occasion to attend the annual meeting of the Royal Geographical Society. Professor Trevor Lloyd was the guest speaker. He gave what I thought was a most interesting address. I wish to quote briefly from it because he concluded by in effect supporting the approach taken by General McNaughton, an attitude which has been adopted by numerous other engineers in this country. His address is reported in the *Globe and Mail* of Friday, February 25, in an article headed "Scheme To Divert Canadian Water Assailed". The article reads:

A leading Canadian geographer last night described a scheme to divert Canadian water to the United States as "an exercise in sophomore civil engineering"—

He described the NAWAPA scheme in these terms:

"Water from the Canadian cordillera will be turned south to meet the supposed needs of the United States Southwest. Anything which survives after passing Southern California will go on to the arid areas of Mexico.

An incidental but unavoidable result of the scheme would be to drown out most of the usable level land in interior British Columbia.

The water needs of Canada are not overlooked. The Prairies will be allocated at least as much of the water as will Mexico."

He took note of plans under the scheme for a seaway to James Bay, "where, as is well known, the offshore waters are so shallow that even a canoe cannot be assured of getting within sight of land at low tide."

Prof. Lloyd called for the formulation of a national water policy for Canada, but placed consideration of diversion to the United States last in his list of seven policy requirements.

He noted he had "ventured outside the usual academic pale to comment on public policy. It is apparent that water has now become a subject of major concern within Canada and that it will influence relations between this country and the United States in the years ahead."

[Mr. Herridge.]

I may say that I agree with him in this respect and so do other members of this group. The article continues:

"It does not appear, for example, to have worked smoothly in relation to utilization of the Columbia River water. The suggestion has been made that, in a strictly technical sense, Canada has not always been sufficiently skilful to maintain its authority in the partnership."

He cited water demands in California as an example of increasing pressure on Canada by the United States and quoted the governor of California, Edmund Brown, as saying: "Whether we bring it from the Snake, the Columbia or the Volga, we will have to have it."

I place this on the record because I am in the habit of sending out copies of *Hansard* to a number of people in my constituency and this is a cheap way of letting them know what Professor Lloyd had to say on this occasion.

I turn now to another aspect of this matter. It appears there has been considerable trouble over the construction of the High Arrow Dam. In fairness to some people who are closely connected with this job, I cannot say much about what they have told me. To be quite safe I will quote from the Nelson *Daily News* of February 24, 1966. Under a headline "Error Delays Arrow Dam Project" we find the following:

Vancouver sources reported Wednesday that the construction schedule at the dam has been hard hit by inaccuracies in engineering data supplied to the dam builders. Core drillings reportedly showing solid bed rock proved false when the underlying structures were found to be weakened by dirt seams and cracks.

The project is really in much greater difficulty than would appear from this article. I think this proves that General McNaughton's scepticism before the committee was well justified. Then the article goes on to say:

Nearly 10,000 extra cubic yards of rock will have to be removed from the north end of the dam site. Misinformation will cause an added three weeks work to be crammed into an already rigid schedule, the sources said.

The article continues:

The north end is not the only unknown factor. A centre section of the concrete half, running about 300 feet along its baseline is as yet unexplored. Rather than waste time by drilling, crews are blasting the surface of this area off in layers to reach solid ground.

The article then goes on to deal with other difficulties which are being experienced. I mention this because of General McNaughton's expressed concern about the foundations of this dam when he was giving evidence before the External Affairs Committee.

As a result of the signing of this treaty we have what is known as a permanent engineering board. I understand there are two representatives of this country and two representatives of the United States. Provision is made in article 9 of the agreement for regular reports. The article reads:

As required by Article XV of the Treaty the board will make reports to the governments of Canada and the United States at least once a year. Reports to the government shall be made through the Minister of Northern Affairs and National Resources for Canada and the Secretary of State for the United States. The initial report by the board will be submitted by December 31, 1965.

I should like to ask the minister whether he intends to table this report, for it is one which will be of great interest not only to members of this house but to many people throughout the country. I understand that the information contained in the report is already available to people in the United States. I am sure it would contain some most interesting information as to the amount of money spent up to December 31, 1965, on the construction of the three dams in question, on the clearing of the reservoirs and in compensation to various owners who have been approached to date by B.C. Hydro. I trust the minister will agree to tabling this report for our information.

I have referred to these few matters briefly. I realize there is a long road to travel before we can finally have a national water policy. As I say, I wish the minister would inform the house more fully as to the government's purpose and objectives in this respect after it has had an opportunity to discuss these matters with the provinces particularly concerned.

I have always been interested in keeping our water clean and free from pollution. It is a serious question and one of growing concern in the area I have the honour to represent. There is pollution in the upper Columbia. There is pollution in Kootenay Lake. There is some pollution in the lower Columbia before it enters the United States. This situation has caused alarm to rod and gun clubs, chambers of commerce and labour organizations who believe we can only deal effectively with pollution of rivers of this type when we have a national policy which will provide for co-operation between federal, provincial and municipal governments.

• (4:20 p.m.)

That is all I have to say at this time. I shall look forward to what the minister has to say with regard to our request for the tabling of this very important report.

[*Translation*]

Mr. Caouette: Mr. Chairman, we are now studying the estimates of the Department of Mines and Technical Surveys. The people I represent are very much interested in mining development and the development of new mining industries in Northwestern Quebec.

I note, in the estimates of the department, that an amount of $16 million is allotted to help the gold mines in Canada. I have not made a break-down of the subsidies granted each mine, but we have a table of these figures.

I feel the Department of Mines and Technical Surveys should give far more attention to gold mines than it does at the present time.

Here is what I read in the report on the administration of the Emergency Gold Mining Assistance Act:

The annual average of the weekly buying prices in Canadian funds at the Royal Canadian Mint in 1964 was $37.75 per fine ounce of gold. This compares with $37.75 in 1963 and $37.41 in 1962. The price of gold in Canadian funds is governed by the fixed buying price of $35 per fine ounce in United States funds by the United States Treasury and the exchange rate between the Canadian and United States dollars. Since May 2, 1962 the value of the Canadian dollar has been set at $0.925 United States funds. At parity, the Mint buying price for gold is $37.84 per ounce in Canadian funds. The market value of the Canadian dollar may be permitted to fluctuate by 1 per cent either side of parity. Thus, the Mint buying price in Canadian funds may vary between $37.46 and $38.22 per ounce. In 1964, the Mint price varied from $37.54 to $37.86 per ounce.

When the government starts helping the gold mines or granting subsidies to the gold mines:

The average cost of production per ounce of gold, computed on all ounces of gold produced from the mine during the designated period, must exceed $26.50.

—and not more than $45.

It means that the government helps between $26.50 and $45, for a total of $12.33 per ounce, which is the maximum rate paid to gold producers in Canada.

On page 9 of that blue booklet, one can read:

The Gold Export Act and Disposal of Canadian Gold

The Gold Export Act, passed in 1932, authorized the Governor in Council to make regulations regarding the export of gold from Canada. On March 21, 1956, the regulations, which prohibited the export in any form except under licence issued by the Minister of Finance, were revoked. Thus, since March 1956, producers have been free to sell their gold wherever they wish.

Mr. Chairman, I think that practice is not followed at all although it would be practicable since there are countries which would pay more than $35 or $37 per ounce for gold produced in Canada.

But here is the problem with regard to assistance to gold mining. In my region, and the other gold producing regions, the employees, those who work in a gold mine are paid $1 or $1.50 in some cases, less than those who work in other mines such as copper, nickel, zinc, etc.

In gold mines, we still have people working at an hourly rate of $1.40 or $1.45, and subsidies are paid to mines to keep them in operation.

I see no objection to that, sir, and I would even urge the government to give more subsidies so that a greater number of gold mines remain in operation, but those supplementary subsidies should be subject to the provision that the wages of miners working in those mines are to be adjusted so that their standard of living is as good and as high as that of miners working in other mining enterprises.

I believe that is a very serious shortcoming that the Department of Mines and Technical Surveys should correct as soon as possible. We have been asking for several years to the Department of Mines and Technical Surveys to consider the question—not on the surface but in depth—in short to consider the situation as it is.

A few months ago, I attended the official opening of a new gold mine in our region, the Wasamak mine located about six or seven miles from Rouyn-Noranda, and the owners of that mine make applications to, and apply the pressure on the government in order to derive profits from their operations.

Those who provide capital and equipment for the operation of a mine want to make a profit, and you cannot blame them. In my region, a number of mines only make a profit because of the grants received from the federal Department of Mines and Technical Surveys. They cannot, of course, raise miners' salaries so that the men would make a decent living, and that is the problem.

A miner working eight hours a day, either underground or in the plant, is putting in a hard day's work. He has a rather serious responsibility and must often work under dangerous conditions.

[Mr. Caouette.]

Therefore, I urge the Minister of Mines and Technical Surveys (Mr. Pepin) to study the question of gold mines in our region and to consider the possibility of helping them or of suggesting to other departments, the Department of Industry for instance, the establishment in our region of secondary industries to process the ores, either for the domestic or the export trade.

But one point on which I want to insist is that adequate subsidies be paid to the producing gold mines in our region to enable their owners to grant salary increases to the miners who could then give their families better living conditions. It is not that they do not want to but they are unable to do so because of the economic conditions resulting from this niggardliness on the part of the government which will not give more help for the operation of gold mines in our region.

When I think that Canada is giving millions of dollars to other countries to help underdeveloped and needy people, when I hear the ministers, one after the other, talk about fighting poverty and misery in Canada, I say that the gold mine employees are now the victims of that poverty and that it is the responsibility of the government to help them by increasing subsidies for gold production. Not to increase the wealth of company presidents, but to enable the companies to pay their employees higher, more adequate salaries, taking into account the present needs in our area and in all similar regions.

Mr. Chairman, I do not intend to pursue the subject, but I strongly urge the minister concerned to study thoroughly and in detail this matter of gold mines and the industries which could be established in our region, so as to help increase Canadian production including that of our province.

I strongly urge that the problem arising in my region be considered and that the different cases be studied and dealt with, not by means of political partisanship, but effectively, so that our people may receive fair and equitable treatment.

[*English*]

• (4:30 p.m.)

Mr. MacInnis (Cape Breton South): Mr. Chairman, because of our concern for the Nova Scotia coal industry and our greater concern for the number of miners and their families involved in this industry, it is most important that we impress upon the government today the need for assistance. I regret very much that the Minister of Mines and Technical Surveys is not available today and that we have to put our case to two ministers

who are quite far removed from the problem, although we do have present the Minister of National Health and Welfare, not because of his own initiative, I might say, but because of an arrangement made by his house leader.

Since the house opened we have been denied on any number of occasions the opportunity of pinpointing this particular problem. The Minister of National Health and Welfare gleefully hides behind a ruling of the Chair to the effect that we can no longer ask questions of ministers on the basis of the province from which they come but only questions which refer immediately to their departments. The Minister of National Health and Welfare has been able to hide behind that ruling which has been invoked during this session but which was never before applicable.

I hope it will be possible before the estimates of the Department of Mines and Technical Surveys are passed to hear some answers from the Minister of National Health and Welfare. In the meantime I hope the Minister without Portfolio and the Minister of Northern Affairs and National Resources will listen to the arguments put forward today and realize that the government has to take immediate action in order to salvage and save the Nova Scotia coal industry.

I should like to thank the hon. member for Kamloops for making reference to the fact that I would have something to say regarding the Dominion Coal Board. However, I intend to range a little wider than that. In thanking him I am reminded that this was not his only concern or the only concern of the government of which he was a member. The former Conservative government took every possible step to assist the Nova Scotia coal industry and met every demand made by that industry. In fact, on one occasion, in order to extend the life of a colliery that was to be closed, the government of that day offered assistance but the company did not see fit to accept it with the result that we lost one coal mine.

The importance and urgency of this matter are with us every day. We have had another mine closure and we are now expecting to have a mine opening. I should like to take exception to what the hon. member for Kamloops referred to as a political promise made during the election campaign. I want the government and the three ministers now present to understand that it was not a political promise. In that regard I can quote the words of the Minister of National Health and Welfare who said in a statement made in Halifax that it was not a political promise, not a part of their platform at all, but was a definite commitment on the part of the government to make $25 million available to the island coal industry.

In order to emphasize this matter I state here and now that the minister and his colleagues in Nova Scotia relied heavily on this $25 million commitment to the Cape Breton coal industry to get elected. Again I emphasize the fact that the Minister of National Health and Welfare said this was not a political promise or a part of the Liberal party's platform but was a definite commitment on the part of the government.

To back up the fact that this was a commitment I should like to quote from the instruction that every Liberal poll worker in Cape Breton South had. This instruction reads:

> The Liberal Government and Allan MacEachen got 25 million dollars for the coal industry. No matter how you voted in the past Liberals should have your vote this one time. The Liberal is Joe MacEachern. Voters should be shown the sample ballot in this book.

Again I say to the minister that I have every indication that a number of Liberal workers who are more concerned about the coal industry in Nova Scotia than they are about the Liberal Party are prepared to sign an affidavit to the effect that this was the instruction they were given on election day.

Some hon. Members: Shame.

Mr. MacInnis (Cape Breton South): The instruction pointed out that the candidate running for the Liberal Party in Cape Breton South was Joe MacEachern. They were depending on confusion between the names MacEachern and MacEachen with the hope that the name MacEachen might provide some incentive to the people to vote for the Liberal candidate and provide him with a victory in that area. I am told that there was confusion and the result was not what they expected. The result was the opposite of what they expected.

Mr. MacEachen: We got 5,000 more votes, Donald.

Mr. MacInnis (Cape Breton South): For $25 million the return was not too good. With respect to how they emphasized the $25 million in aid for the coal industry I should like to refer to the headlines in the local papers,

and the publicity in which the Liberals basked. Again I suggest they depended on this commitment, not promise, to be successful. Under the heading "Massive Aid Pledge For Nova Scotia Coal Industry" there are the subheadings: "New mine assured." "Ottawa prepared to invest 25 million dollars." I might say at this point that since this announcement was made the government has been hiding behind what they refer to as the Dr. Donald report which had nothing to do with the $25 million. In this regard I can quote the words of the Minister of National Health and Welfare who, when speaking of the $25 million in aid, spoke of it as being an accomplished fact. I will remind the minister of his own words and indicate where and when he said them. It is imperative that we get this money and get that mine operating within the time limit mentioned by the Minister of National Health and Welfare.

The article to which I referred states:

> The federal government will dip into the treasury for at least 25 million in a long range gamble to shore up Cape Breton's erratic coal industry.
>
> Labour Minister Allan MacEachen held court at a press conference in Halifax Tuesday and in less than 500 words spelled out a formula that could herald a new era for coal.
>
> Mr. MacEachen said the government was prepared to "invest" at least 25 million dollars in Cape Breton coal mining future including the first major mine opening in more than two decades in the Province.
>
> "Good news." "Fantastic." More than we had hoped for from the federal government was the immediate comment from District 26 President, Bill Marsh who sat beside Mr. MacEachen for the official announcement. Dominion Coal Company President Earl Clubb checked in fast with similar words of praise.
>
> "This announcement will be received with enthusiasm by the people of Cape Breton", Mr. Clubb said. "This will do much to stabilize the industry."
>
> Mr. MacEachen said that 10 million dollars would be spent to open a mine at Lingan and another 15 million allotted to rehabilitate and automate the coal mines now operating.
>
> It was Allan MacEachen's stature in the cabinet that was the turning point in the long negotiations.

• (4:40 p.m.)

One of his high priced hired help who was along at the time made this statement to the press:

> He had an extremely rough time last week convincing certain ministers that the expenditure was warranted.

Every bit of publicity in the press about this tremendous aid to the Cape Breton coal industry was, of course, accepted by the minister as his complete responsibility, despite the fact that he had a hard time convincing some of his cabinet colleagues that the expenditure was necessary. Then there is this quotation:

> $25 Million Boost for Coal!
>
> Pit for Lingan
>
> It was a day of good news—multimillion dollar news—yesterday for the ailing Nova Scotia coal industry.
>
> In Halifax Labour Minister Allan MacEachen announced that about $25 million in federal funds would be invested in the coal industry to provide for a new mine at Lingan and to modernize production machinery at other mines.
>
> An estimated $25 million funds will be poured into the Cape Breton coal industry to provide for the capital investment of opening a new mine at Lingan and modernizing production machinery in other mines in the area, Labour Minister Allan J. MacEachen announced yesterday.
>
> Mr. MacEachen made the announcement to a chorus of praise from U.M. Workers' President, William Marsh and J. E. Clubb, President of the Dominion Coal Company.

On many occasions during the election campaign the former minister of labour continued to quote the praise that was uttered by the President of the U.M.W., Mr. Marsh, and the Dominion Coal Company President, Mr. Clubb, in regard to this federal program.

Mr. MacEachen: Right.

Mr. MacInnis (Cape Breton South): The minister says "Right." I hope *Hansard* has recorded the minister's remark:

> I am sure the announcement will be received with enthusiasm by the people of Cape Breton—

He was quite sure.

> —as the government's decision will do so much to stabilize the industry, Mr. Clubb added.
>
> Mr. MacEachen estimated the opening of a new mine at Lingan could provide up to 900 jobs. He termed it a capital investment by the federal government in Cape Breton coal fields.
>
> An estimated $10 million will go to the proposed Lingan mine, which is situated on the Sydney side of Lingan Beach.

Reference was made also to the fact that this new mine opening could be used to tap both the harbour seam and the Phalen seam and that plans to do just that have gone ahead. The only thing that is holding them up is the $25 million which, according to the former minister of labour and the former minister of mines and technical surveys, was all but delivered to Cape Breton. Yet they hide behind Dr. Donald and his report.

I inquired about Dr. Donald only last week from officials of the Department of Mines and Technical Surveys and the U.M.W. executive. I asked whether Dr. Donald had visited Cape Breton and gone underground. To their knowledge he had not. Nobody could say he had and nobody could say he had not, but

nobody could support the idea that he had gone underground.

What is Dr. Donald going to do? My understanding of Dr. Donald—I am not criticizing him because I have no idea what the man's particular job is and I am waiting with interest the results of his report—is that he is an engineer in the chemicals field. The name of the former minister of mines and technical surveys was mentioned and I will get to him a little later. I might also say that the former minister of labour took great exception to the remarks made. He happened to get bumped down to National Health and Welfare but nevertheless he is still representing Nova Scotia and should take the opportunity under our practice to enlighten the people of Nova Scotia in respect of his commitments prior to the election, what his intentions are now and whether he will meet with the same success with his cabinet colleagues. Here I quote the minister himself:

> And just last week I had the great privilege, and it was a privilege because I had worked hard to bring it about—

I am sure the Minister of National Health and Welfare will not take objection to these words. They are his own and I will repeat them:

> And just last week I had the great privilege, and it was a privilege because I had worked hard to bring it about, to announce the new plans of the federal government for the coal industry, bringing relief and a sense of particular joy to the coal miners and their families living in so many communities in this part of Nova Scotia; a plan that will modernize and re-equip the existing industry; a plan that will make it possible to open a new mine, something that has been sought and asked for, something that has now been done by a federal Liberal government at Ottawa.

I emphasize the minister's own words:

> —something that has now been done by a federal Liberal government at Ottawa. This is quite a story of achievement, in my view, for the people of Cape Breton and eastern Nova Scotia. It has been done by a government that is deeply interested in developing all parts of Canada.
>
> I can say, I am sure with absolute certainty, that no government in the history of this country has done as much for the island of Cape Breton and eastern Nova Scotia than this present government at Ottawa in 30 months of its life.

Here again I may say—

Mr. MacEachen: Mr. Chairman, may I ask my hon. friend a question? I am not denying the words at all but I would like to know what he is reading from. Is it a newspaper account? I would just like to know the source of that quotation.

Mr. MacEwan: Don't you remember the words?

Mr. MacInnis (Cape Breton South): As the hon. member for Pictou has said, you would think the minister would remember his own words.

Mr. MacEachen: I want to know the source of this quotation.

An hon. Member: He wants to know who dared print it.

Mr. MacInnis (Cape Breton South): It is going to be very difficult for the minister to eliminate these words because they were used in a radio address and I have a direct copy from the tape. I cannot possibly use the tape here but I will give the minister the date.

Mr. MacEachen: All I wanted to find out was the source of the quotation and I thank my hon. friend for telling me that it is from a tape.

Mr. MacInnis (Cape Breton South): If the minister wants to know what the source was, he was the source. The minister went on to say:

> And I want to say as well—

I emphasize the "I":

> —that I have been at the cabinet table as a native Cape Bretoner, putting forward the needs and problems of the people of this island, and I believe that my advocacy has some real results. Because of the list of accomplishments I have been able to mention to you tonight, it hasn't hurt at all to have a native Cape Bretoner as a cabinet minister sitting at the council table putting forward the needs of this island.
>
> I believe that we now need a majority government, a majority government in Canada, with support in all parts of Canada, so that we can carry on with our programs of development in eastern Nova Scotia and elsewhere. And I believe that on the basis of this record that I have mentioned it is appropriate for me to appeal to all the voters of Cape Breton Island and all the voters of eastern Nova Scotia to help us get that majority, to help me continue my work in Ottawa for Nova Scotia, by giving me the support of Liberal members elected in all these constituencies.
>
> This is what I am asking, I am asking the people of Cape Breton to support the Liberal policies of growth that have done so much for Cape Breton in a short space of time, and the best way to give that help and to ensure a continued application of these policies, is to support all the Liberal candidates on Cape Breton Island.
>
> I appeal for support myself in the riding of Inverness-Richmond and Cape Breton west, whose people have been so generous to me in giving me support in many previous elections, but I appeal also to the voters in Cape Breton North-Victoria to give us a hand by voting for the Liberal candidate, and the same appeal I make to the voters of Cape Breton South.

All the ridings of Cape Breton can, I believe with a good heart, support this present Liberal government, because no government in the history of Canada has done as much for Cape Breton as the present government at Ottawa.

Mr. Muir (Cape Breton North and Victoria): How many times is the pronoun "I" used?

An hon. Member: Read on.

Mr. MacInnis (Cape Breton South): I think you have heard enough of that particular speech. I will give you another one. Again, if the minister is concerned with the source, he is the source.

Mr. Stewart: They are very good speeches and should be put on the record.

Mr. MacInnis (Cape Breton South): Oh, we hear from the hon. member for Antigonish-Guysborough. Are we to get these remarks on the record?

Mr. Muir (Cape Breton North and Victoria): Get off your brains and speak.

Mr. Stewart: Mr. Chairman, I said they were very good speeches and should be put on the record.

Mr. MacInnis (Cape Breton South): I know the member for Antigonish-Guysborough thinks they are good. The Minister of National Health and Welfare, who originated them, has other thoughts on them at the moment. He did not recall where they came from or who made them but I have identified them as being his words.

• (4:50 p.m.)

I should like to quote the minister again:

On October 5 of this year I announced that the federal government would make large scale investments in the Cape Breton coal industry. I also stated that the opening of a new mine at Lingan is a necessary part of a long term program for the coal industry. Large amounts of money are involved—for example, one estimate for the opening of Lingan itself is ten million dollars.

This firm decision by the Liberal government—it is not a promise or part of a campaign platform—

I take exception to the reference by the hon. member for Kamloops who said this was a campaign promise. I prefer to depend on the words uttered by the former minister of labour when he said this was not a promise or part of a campaign platform.

—has long been asked for by miners, union leaders, clergymen, and mayors of the coal mining towns. It is not surprising that the President of the United Mine Workers described this decision as a blessing, a godsend, and more than asked for.

[Mr. MacInnis (Cape Breton South).]

Here I remind you, sir, that throughout the campaign the former minister of labour, now Minister of National Health and Welfare, continued to quote what was said by the President of the United Mine Workers of America, that it was a godsend. I continue the quotation:

Mr. Marsh is quite right. This policy represents a major breakthrough for our economy, for the miners, their wives and families. No other government in Canada's history has demonstrated such willingness to support and maintain the coal industry of Cape Breton.

I am sorry that Premier Stanfield and his followers have failed to appreciate the significance of this tremendous undertaking.

I interrupt at this point to emphasize the fact that this was not a political promise, it was not a campaign promise and it was not part of their platform, but boy did they use it.

Fortunately their negative attitude has received no support whatsoever from the miners and their leaders. The miners realize that without this decision the coal industry would have a very short life indeed.

I repeat the fact that the Minister of National Health and Welfare is not here on his own initiative but because his house leader arranged it and I would ask him respectfully to pay attention to his own words.

Now, it has a chance to survive and, we hope, to prosper. I also stated on October 5 that a comprehensive long term program for the coal industry would be introduced in 1966.

We are still waiting.

The decision announced by the federal government on October 5 is the most important ever made in the life of the coal industry and it will place this vital industry on the kind of firm foundation that is necessary for its survival.

There is a notation on the bottom of this statement that the preceding was sponsored by the Liberal party. This had nothing whatever to do with politics; it was a firm commitment. It was something that was accomplished.

I want to refer to the fact the former minister of mines and other ministers came into the area. Unfortunately these other ministers had no responsibility for these estimates. Nevertheless there were other ministers along to hear what the former minister of mines had to say to the people of Cape Breton:

Canada's Minister of Mines, the Honourable J. Watson MacNaught, expressed the hope when addressing the Liberal rally here Thursday night that the people of Cape Breton North and Victoria will vote for a Liberal government in appreciation of what had been done for the coal industry of Cape

Breton in form of the recently announced investment of the federal government of twenty five million dollars in this particular industry.

He termed this move on the part of the federal government as one that would without doubt give new blood to the coal mining industry. In fact, he added: "This move will assure the stability of the industry and income for miners in this area for many years."

Here we have $25 million for 5,000 votes and $20,500 a year for the former minister of mines for making that statement and for no other reason. I cannot think of any appointment the government has ever made more ridiculous than the recent appointment of the former minister of mines to the position of chairman of the Dominion Coal Board. It is an insult to the employees and officials of the coal board. This man who has now been appointed chairman of the Dominion Coal Board has been described by many people. I have nothing but sympathy for the many men on the Dominion Coal Board who have worked so hard in an effort to bring about improvement in the coal industry of this country and who are now to be saddled with a chairman who does not know anything and who will not learn enough in the next 20 years of his life to take even a minor position with the coal board let alone the position of chairman.

I am not sufficiently familiar with the members of the Dominion Coal Board to know how many of them are competent to take this position. However, I know from experience that there must be many men in the employment of the board who could do a very good job. Since I am not familiar with too many of them I will mention one name in particular, Mr. Alec Brown. I might point out that the former minister of labour was very busy in Cape Breton last summer promising the position of chairman of the Dominion Coal Board to a number of people in that area.

Mr. MacEachen: Mr. Chairman, I would ask my hon. friend to withdraw this misstatement because it is a total misstatement.

Mr. MacInnis (Cape Breton South): It is a strange thing, Mr. Chairman, but we operate in this house under most peculiar circumstances. The Chairman can rest assured that I am going to withdraw the remark. I am withdrawing it for only one reason but at the same time I object. Despite the fact a member may say something that is truthful, he is required under the rules to withdraw it if there is an objection from the other side. Now, Mr. Chairman, only because the rules of the house demand that I withdraw this statement unless I am prepared to make—

Mr. MacEachen: Mr. Chairman, I rise on a point of order—

Mr. MacInnis (Cape Breton South): Will the minister allow me to finish?

Mr. MacEachen: On a point of order, Mr. Chairman, my hon. friend suggested quite categorically—

Mr. MacInnis (Cape Breton South): Mr. Chairman—

The Chairman: Order. Is the hon. gentleman on a point of order?

Mr. MacEachen: I am on a point of order.

Mr. MacInnis (Cape Breton South): Mr. Chairman, I must insist. This is a question of privilege.

The Chairman: Order. The minister is rising on a point of order.

Mr. MacInnis (Cape Breton South): I am rising on a question of privilege.

The Chairman: The hon. member for Cape Breton South.

Mr. MacInnis (Cape Breton South): My question of privilege, sir, is that the Minister of National Health and Welfare was about to make remarks in respect of what I had to say and I have not completed my remarks. It is possible that when I complete my remarks he will have no point of order. Furthermore I would remind you, sir, I was on my feet and I did not relinquish the floor. The former minister of labour, without recognition from the Chair, was prepared to speak on a point of order.

My question of privilege is, as I have stated, that the rules provide I must withdraw a statement if there is a protest from the other side despite the fact it may be a true statement unless I am prepared to bring before the house an actual affidavit to the effect that in this case he did approach, let us say, a certain person in the city of Sydney to accept the position of chairman of the Dominion Coal Board. I am not prepared to involve individuals any more than I am prepared to ask Liberal workers in Cape Breton, who I maintained earlier are more concerned with the coal industry, to give me an affidavit on this particular statement. The minister raised no objection at that time on this particular matter. I have finished my remarks so let us hear his point of order.

The Chairman: The hon. member has now stated his question of privilege. The Minister of National Health and Welfare.

• (5:00 p.m.)

Mr. MacEachen: I rise on a point of order based on the statement made by the hon. member for Cape Breton South that I had promised the position of chairman of the Dominion Coal Board to several persons in Cape Breton. That is a completely false statement. The point of order is simply that these events are within my own knowledge. If I state it to be a matter of fact within my own knowledge, then under our rules of the house another hon. member must accept the statement. If he refuses to accept it his recourse is very clear.

Mr. MacInnis (Cape Breton South): I will accept it, Mr. Chairman, but I will bring the question up with the particular individuals involved at a later date. Perhaps I will then come forward with an affidavit and the minister will have to withdraw. In the meantime I accept the statement of the minister.

I was speaking of the former minister of mines, the situation which has developed in regard to the Dominion Coal Board and the callous approach of the government to matters concerning a vital industry and the miners and families connected therewith. I should like for a few moments to refer to a recent article which outlined the capabilities of the former minister of mines. The article appeared in the Toronto *Star* of March 1, 1966, and I think it is something which should be placed on record because it once again indicates the attitude of the government toward a very vital aspect of our economy. The article reads as follows:

It's a good indication of how disillusioned Ottawa has become with the Liberals' so-called "new politics" that no one here was very upset or surprised when the Prime Minister last week once again used loyalty to the Liberal party as his criterion in appointing the latest batch of senators.

I might say that the heading of the article refers to the former minister of mines and is entitled: "A Leg Up For 'J. Watson MacZero'". The article continues:

What did anger Ottawa insiders was the appointment (announced the day before the new Senate list) of Hon. J. Watson MacNaught as chairman of the Dominion Coal Board.

This resentment was based on the feeling that naming partisans to the Senate, where they can do little harm to the governmental process, may be a commonplace.

But it becomes a matter of grave concern when a failed politician is placed in a responsible position within the public service, where competence and knowledge, not party affiliation, must be the decisive factor.

[Mr. MacInnis (Cape Breton South).]

Mr. Muir (Cape Breton North and Victoria): Sounds like Trudeau before conversion.

The Chairman: Order. I must advise the hon. member that the time allotted to him has expired.

Some hon. Members: Carry on.

The Chairman: Does the committee give unanimous consent for the hon. member to continue?

Mr. Côté (Longueuil): I was just wondering, Mr. Chairman, what estimates we were on while I was listening to the hon. member. It was very hard to tell.

Mr. Nielsen: He is talking about the former minister of mines.

The Chairman: Does the committee give unanimous consent for the hon. member to continue?

Some hon. Members: Agreed.

Mr. MacInnis (Cape Breton South): Mr. Chairman, if the minister cannot understand my references to the Dominion Coal Board, perhaps he had better go back to licking stamps. If he cannot understand me I suggest that he move over and sit with the Minister of National Health and Welfare.

Mr. Muir (Cape Breton North and Victoria): He does not know what the coal board is.

Mr. MacInnis (Cape Breton South): The article continues:

J. Watson MacNaught has seldom demonstrated either quality. He's a gentle nonentity from Summerside, P.E.I. who earned a reputation as the Liberal government's least effective minister and was known by the irreverent in his party as "J. Watson MacZero".

If the Minister of National Health and Welfare is interested in the origin of that remark, it comes from within his own party.

Pearson's appointment of McNaught demonstrates a strange approach to the public service from a man who was, for 20 years, one of its most distinguished members.

Even John Diefenbaker, who strongly believed in rewarding his faithful followers, was much more circumspect about making appointments of this nature.

He did name the former M.P., A. D. McPhillips, to be a member, though not chairman, of the Tariff Board.

But in 1961 when the Conservatives had to pick a new chairman for the Dominion Coal Board, Diefenbaker chose Colin Lewis O'Brian, a 40-year-veteran of the public service.

O'Brian, who is a professional engineer—

I might say here that so also is Mr. Brown who was overlooked.

—had served with distinction on the coal board for the preceding 19 years, was the author of many technical papers on coal and energy, and was generally regarded as the most knowledgeable expert in his field.

While chairmanship of the Dominion Coal Board is hardly one of Ottawa's more important positions—

That, of course, depends on your point of view.

—it's not a trivial appointment either. The chairman (paid $20,500 annually, which is $5,500 more than a Senator) is responsible for a $22 million a year budget.

It's essentially a technical department of government, concerned with administering coal subventions and recommending policies to the government on the production, import and distribution of coal.

The coal board chairman, along with seven members of his board, recommends, through the Minister of Mines and Technical Surveys, what the government's policies should be.

O'Brian is now succeeded in this responsible post by the Hon. J. Watson MacNaught. An active Liberal since he was a law student at Dalhousie University in the late twenties, MacNaught practised criminal law on the island and became law clerk of the P.E.I. legislature.

He won a Liberal seat in the 1945 election, lost it in 1957. And won it back in 1963.

When he picked his first cabinet, Pearson put MacNaught into the Solicitor General's office, then the most junior of portfolios.

During the next three years the P.E.I. lawyer established himself in Ottawa as a man very nearly innocent of the arts of statesmanship.

During a private dinner given at Ottawa's Country Club, shortly after the government was sworn in, he interrupted two Quebec ministers deep in animated conversation and repeatedly asked them to speak English.

Mr. Trudeau: Can you speak in French?

Mr. MacInnis (Cape Breton South): I would give you some Gaelic if that were permissible in the house.

The government used him for routine assignments such as representing Canada at the inauguration of a new president of Mexico, on December 1, 1964.

Official Ottawa was baffled when in the summer of 1965, MacNaught was suddenly promoted to the mines and technical surveys portfolio. This seemed particularly illogical since P.E.I. happens to be the only province of Canada which has no known mineral resources.

"I'm going into the department with a very open mind," MacNaught stated firmly at the time. When he was being sworn in, MacNaught was asked what he intended to do about the Dominion Coal Board. "I guess I'll have to look into it, if that's the word," was his reply.

Later he explained his appointment to a reporter from the Sudbury *Star*, after touring a mine shaft for the first time in his life: "Mr. Pearson just thought I was the best man for the job. Many government representatives are appointed to posts about which they have little or no previous knowledge."

In the 1965 election, MacNaught probably had more going for him than any other cabinet minister, since shortly before the campaign started, the government had pledged $148 million toward the construction of the long-promised P.E.I. causeway.

That is considerably more than the $25 million which the Minister of National Health and Welfare had.

But he lost both Liberal seats on the island, including his own. He managed this feat by deliberately neglecting to invite Walter Shaw, the premier of P.E.I., and a Conservative, to the sod-turning ceremonies for the causeway, which MacNaught had thoughtfully arranged for just three days before the November 8 vote.

"Narrow and nasty."

Now MacNaught has been assured a sinecure as chairman of the coal board. One reason he was not appointed to P.E.I.'s existing vacancy in the Senate was that a delegation of progressive Prince Edward Island Liberals descended on Ottawa a few weeks ago imploring the Prime Minister not to name MacNaught, thus perpetuating his political power on the island.

By choosing instead to place him in a responsible position within the public service, Lester Pearson appears to be bidding a final farewell to the "new politics", which he described in the hopeful springtime of his stewardship as the abandonment of "narrow and nasty, short-sighted and selfish partisanship".

• (5:10 p.m.)

Mr. Nielsen: He never said hello to him.

Mr. MacInnis (Cape Breton South): Mr. Chairman, we are again faced with the situation that the livelihoods of miners and their families in Cape Breton depend not on words of the former minister of mines or the Minister of National Health and Welfare uttered as a political promise but on a commitment referred to as an accomplished fact, referred to by the former minister of mines and by the chairman of the Dominion Coal Board as something that has already been delivered. The question that is often asked is, "In which bank did they put the $25 million"?

We are now told that the Donald report is going to have some bearing on this matter despite the fact that on one occasion the minister said that the Donald report would be used only as an aid. I am interested to find out what is going to be uncovered in the Donald report that has not already been covered by Lord Robbins and Mr. Sheppard of the United Kingdom Coal Board as the result of studying the situation. What about the organization set up under the Minister of Finance? What has it come up with? Why wait on Doctor Donald before doing something that has already been referred to as an accomplished fact, something that is most necessary to the coal industry in Cape Breton?

Again I refer to the fact that the Minister of Transport said last night that the Minister of National Health and Welfare was so interested in the matter that he would be here. He is not here of his own initiative this afternoon. I hope he takes the responsibility to see that there is payment of the $25 million immediately because the company is prepared and ready to go ahead with its plans. Let us hear from the minister now despite the fact that he is here at the insistence of his house leader rather than on his own initiative and not because of his interest in the Cape Breton coal industry. Let us hear him explain to the Cape Breton people why there has been this delay. Let him also elaborate what the government is prepared to do in respect of providing protection for the market that may be available for coal.

I also want to call the minister's attention to the fact that investment in the Cape Breton coal industry is wise at this particular time because the need for coal today is increasing. If the minister wants some further authority in that regard, despite what Doctor Donald may report, despite the fact that the former parliamentary assistant to the Prime Minister, the hon. member from British Columbia whose constituency escapes me—

An hon. Member: Coast-Capilano.

Mr. MacInnis (Cape Breton South): —advocated cutting back on coal production, despite the fact that the Rand Commission recommended a reduction in coal production, I point out that he will find it if he takes time to refer to the recently issued Dominion Coal Board report for 1964-65 which indicates that there is an increasing need for coal in this country.

I suggest that the minister go back to cabinet and then come back to the house and report that he has got the money for the Cape Breton coal industry. Let us get on with the opening of the new mine at Lingan which the minister said would employ as many as 900 people and would be opened in a short time. There is not much time to be lost if that is to be done. Now is the time to make the money available. Now is the time to start the machinery which will result in the opening of the mine at Lingan. The minister fully realizes that No. 18 colliery closed down in January and 700 more miners are idle in that area. If the Stanfield government had not concerned itself with the welfare of the miners in that area by making available voluntary retirement pension plans to allow some men to replace others, those people would be in a bad way.

[Mr. MacInnis (Cape Breton South).]

Let us have some action from the minister. Let us have some action from the government. Let us have delivery of what was referred to as an accomplished fact on a number of occasions. I repeat that the minister said it was not a political promise but was a commitment. I pointed out that the commitment was said to have been made because of the minister's hard work in cabinet sessions. There was reference to the hard time the minister had in convincing his colleagues that such consideration was necessary. The Prime Minister referred to the fact that there was very considerable discussion of the matter before this policy statement was made. Having made the policy statement and that policy statement having been supported by a number of cabinet ministers, it is time for the government to report to the people, to report to the Cape Breton miners and to the coal industry that this promise will be implemented, that this government will carry out the commitment that was so strongly emphasized during the election compaign.

Mr. MacEachen: Mr. Chairman, I welcome this discussion and opportunity to express my view on the matter of coal policy and, in so far as I am capable, to bring the house up to date on this particular aspect of government activity. Before I do so I should like to tell my friend from Cape Breton South that I am in the house today as a result of my own initiative and my own readiness to participate in the debate and not as a result of any discussion with the house leader. I have had no discussion whatsoever with the house leader with respect to these estimates.

Mr. Nielsen: You would not be speaking on them if you had.

Mr. MacInnis (Cape Breton South): A point of order, Mr. Chairman. I want to explain fully why I made references to the fact that the minister was here because of an arrangement by the house leader. Last evening, when the question was put whether we should continue discussion—

The Chairman: Order, please. There is no point of order. The hon. gentleman is making an explanation.

Mr. MacInnis (Cape Breton South): The point of order is that I was informed that the house leader, just before these estimates came up, had made arrangements that the minister would be here. The minister is denying that.

Mr. MacEachen: Mr. Chairman, I respect the ruling made by Mr. Speaker in the chair that questions with respect to the coal industry should not be answered by the Minister of National Health and Welfare. However, I want to assure the house and my friend that I am quite anxious, quite eager and willing to answer questions with respect to any matter within my responsibilities. If the Speaker had permitted the questions I would have answered them on the spot.

I take considerable exception to the effort of the hon. member for Cape Breton South to suggest that there was a lack of willingness on my part to deal with this important matter in the house. The only reason I did not deal with it is the ruling of the Chair which I respected and will continue to respect.

As a matter of fact, the speech made by the hon. member for Cape Breton South was unnecessary. It has contributed nothing to our understanding of the coal problem. He has made no constructive suggestions in his speech nor in any other speech that he made in the last parliament in connection with the coal industry. It would be a welcome change for the hon. member for Cape Breton South, instead of addressing himself to destructive comments about members of the house and persons not in the house, such as the newly named chairman of the coal board, to address himself to the problems of the Nova Scotia coal industry and make some contribution to the solution of an important and great problem.

• (5:20 p.m.)

You can search *Hansard* in the last parliament and in the speeches of the hon. member you will not find a shred of an intimation of a hint of a constructive proposal on his part with respect to the coal industry of Nova Scotia. His speeches in the house in the last parliament were totally barren of any constructive ideas and we have had a repeat performance this afternoon—

Mr. MacInnis (Cape Breton South): Will the minister permit a question?

Mr. MacEachen: —in an effort to blow up—

The Chairman: Order. It is obvious that the hon. gentleman who has the floor does not wish to receive a question.

Mr. MacEachen: —in an effort—

Mr. MacInnis (Cape Breton South): Is the minister going to accept a question?

Mr. MacEachen: Yes, I will.

Mr. MacInnis (Cape Breton South): Will he explain his criticism when he says I have never brought forward anything constructive either this session or last session? Will he explain that statement in the light of the fact that 90 per cent of the words I used today in my speech were quoted from his own words?

Some hon. Members: Oh, oh.

Mr. MacEachen: If reading extensive quotations from my speech is a defence, surely I do not have to call witnesses to defend my statement about the hon. member's performance.

I did not originally intend to make any comment about the hon. member from Cape Breton South but I thought it was unfair that he should have devoted a large part of his speech to an attack on the newly named chairman of the Dominion Coal Board who is beginning to carry out important functions not only for the government but for the industry and for the hon. member's constituency. It is unfair that within a week of Mr. MacNaught being named he should be subjected to a vicious personal attack by the hon. member for Cape Breton South who, completely aside from the quotation from the article by Mr. Peter Newman, said that Mr. MacNaught would not learn anything about the coal industry even if he had 20 years in which to do it.

Mr. MacInnis (Cape Breton South): I said "not learn enough".

Mr. MacEachen: The hon. member's approach to this problem has been completely negative, completely partisan and invariably destructive and there has been no greater evidence of his destructive capacity than his attack on Mr. MacNaught who is no longer a member of the house. He sat in the house in the last parliament and was in a position to defend himself so far as the coal board was concerned but no effort was ever made by the hon. member to get him into debate. I had occasion to come to this house, as did other members, just after the former member for Inverness-Richmond, a former opponent of mine, had been named chairman of the Restrictive Trade Practices Commission. It was a good appointment and nobody on the Liberal side undertook a week or two after it had been made to undermine his capacity to perform his functions as chairman. It was a political appointment, of course. He was a defeated Tory candidate and he was appointed by the former prime minister. He is

continuing in his job without partisan criticism, as he should be allowed to do. I wish the hon. member had followed that custom this afternoon.

Mr. MacInnis (Cape Breton South): He had a professional background.

Mr. Caouette: Would the minister permit a question? When he says a Tory candidate was nominated for political reasons and so on, is he saying at the same time that the appointment of Mr. MacNaught was definitely a political appointment?

Mr. MacEachen: I stated that Mr. MacLellan's appointment was a political one. Of course it was. No attack was made against him and he was allowed to carry on his work as Mr. MacNaught should be allowed to do. This is why I commented on the speech of the hon. member for Cape Breton South who has been running wild in this house and who feels himself above the Chair and above the normal courtesies which ought to be followed here. I think he has descended to a new low in his attack on the chairman of the coal board. He has blown up quite a storm about a so-called departure from government policy with respect to the coal industry.

On October 5 last I made a statement on behalf of the government of Canada on coal policy so far as it affects the province of Nova Scotia. That statement was made in public. It has been circulated. I have a copy of it here and it still stands as a statement of government policy. There has been no departure from it. It is the result of a cabinet decision. This decision was incorporated in the statement on government policy which I made on October 5. In that statement the government of Canada undertook to make large scale investments in the Cape Breton coal industry in the immediate future and it undertook to introduce a comprehensive long term program for the coal industry early in 1966. The statement says "early in 1966", not "late in 1966". That still stands. The government undertook to assist in the financing of the opening of a new mine at Lingan which we regard as an essential part of a program to make the most effective use of the capital to be invested in the Nova Scotia coal industry.

In my statement I referred openly, frankly and extensively to the fact that we had secured the services of Dr. Donald, that he had been commissioned by the government of Canada to undertake special work in connection with the coal industry. He was asked to prepare as a matter of urgency, with the aid of a special committee of government officials, comprehensive recommendations for the organization, modernization and re-equipment of the industry. That still stands. The study is being carried on with the co-operation of the industry, trade unions and the government of Nova Scotia.

The hon. member read from a television broadcast which I made. It was a political broadcast, of course; we were a week away from the election. I am sure the hon. member was making non-political telecasts during that week. I was making political statements. I have a copy—

An hon. Member: Surely they were truthful.

Mr. MacEachen: Of course it was truthful. I will read it to hon. members in order to illustrate the sincerity of my intentions as a member of the government, because my statement on that date is exactly on all fours with the statement I issued on October 5, and it is on all fours with the statement I will make today in the house on behalf of the government of Canada.

Some hon. Members: Hear, hear.

An hon. Member: Nonsense.

Mr. MacEachen: What greater consistency could there possibly be?

Mr. Fulton: Would the minister permit a question on the basis of the statement he has just made? Does he not thereby stand convicted himself of making a political issue out of a matter of government policy?

Mr. MacEachen: If the coal industry is a magnet for political discussion it falls into the same category as any other.

Mr. Fulton: Then do not complain that members of the house are making a political issue out of it.

• (5:30 p.m.)

Mr. MacEachen: I am not complaining about that. I have not complained that a political issue has been made of it. Naturally these are political issues and I hope they will continue to be political issues. What I am saying is that my hon. friend is accusing the government of departing from its policy pronouncement of last October. There is no departure whatsoever. I should like to read the final paragraph of this telecast.

Mr. Peters: Would the hon. minister permit another question?

Mr. MacEachen: No. I am sorry, but I want to complete this. In this telecast, the transcript of which was read by the hon. member for Cape Breton South, I made this statement:

I also stated on October 5 that a comprehensive long term program for the coal industry would be introduced in 1966.

That still stands.

Dr. J. R. Donald, the consultant especially appointed for this purpose will produce comprehensive and detailed recommendations for the reorganization, modernization and re-equipment of the industry. This program will be prepared in co-operation with the industry, the U.M.W. and the Government of Nova Scotia. All interested parties—

Mr. Diefenbaker: They did not get any funds.

Mr. MacEachen:

—will have a chance to express their views, offer their advice and ask any questions they wish.

That was a statement made a week before the election. That is still the attitude of the government of Canada. I wonder what all the storm is about? What is the fuss all about?

Mr. MacInnis (Cape Breton South): Twenty five million dollars.

Mr. Nielsen: The $25 million.

Mr. MacEachen: We designed a policy for the coal industry that was long tested, long needed and long demanded by the miners, the leaders of the community, the union leaders, the clergy, and all the people who represent the best interests of the people in the coal industry. They have been asking for this for a long time.

I have a letter here from the town clerk of Glace Bay commending this policy. There are innumerable quotations from the United Mine Workers commending this policy. It has been acclaimed in many parts of the province of Nova Scotia. It is a good policy. It still stands as part of the policy of the government of Canada. So what is all the fuss about?

An hon. Member: We just want some action.

Mr. MacEachen: What is all the anxiety about?

Mr. MacInnis (Cape Breton South): Do you want an answer?

Mr. MacEachen: Just let me finish the point. We have a new Minister of Mines and Technical Surveys who has been called away to carry on important work in Washington.

Mr. MacInnis (Cape Breton South): His most important work is in Canada and not Washington.

Mr. MacEachen: I am delighted that we have as Minister of Mines and Technical Surveys a man with the capacity, the intelligence and imagination that the new minister possesses. I am glad about it. However, I want to assure the house in his absence, that the minister—

Mr. Nielsen: He said he is going to resign.

Mr. MacEachen: —is very seriously interested and very seriously concerned about this problem and about implementing the policy of the government of Canada. It is a long term policy; it requires the development and the proper use of the manpower on the Island of Cape Breton. It involves a rationalization of the coal industry.

These mines at present need new capital in order to become productive and efficient. If the new capital is not available these mines will have to close down. There is no doubt about that. We have a very big problem here. It requires not only the participation of the government of Canada but also the participation of the government of Nova Scotia, the industry and, even more than any other, the co-operation and interest of the union leaders and the miners in order to solve the great manpower problem.

The purpose of the government of Canada is to reach a solution that will produce maximum employment opportunities on the Island of Cape Breton and stabilize the economic levels, the production of coal and employment in that industry in Cape Breton. We did not require the intervention, although we welcomed it, of the hon. member. The Minister of Mines and Technical Surveys had already decided to go to Nova Scotia to visit at first hand those who are responsible for the development of new policies along with the federal government.

In March I hope to join the minister in consultation with the provincial government, the industry and the union leaders in respect of our policies for the industry. We still are awaiting the report of Dr. Donald. Nobody misled the people of Nova Scotia on this point. It was clearly stated last October and November that the development of a long term policy was contingent upon the receipt of the report from a special government commission. So we are completely consistent not only in the declaration of our policy but in the implementation of our policy.

I should like to assure the hon. member for Cape Breton South that we are serious about this matter, that our policy has not changed

and that it is going to require the co-operative effort of a lot of people including himself in order to reach a good solution to this problem.

Mr. MacInnis (Cape Breton South): Would the minister permit a question now? Since the minister has indicated that there has been no deviation from policy, how can he explain the fact that there has been no delivery of any funds to initiate the policy at Lingan or to assist the colliery in that area in as much as he and the former minister of mines and technical surveys referred to this as an accomplished fact and in addition the minister also stated that Dr. Donald's report would be used only as an aid? This report has nothing whatever to do with the allotting of $25 million to the Cape Breton coal industry, which was referred to by the minister himself and the former minister as an accomplished fact before November 8.

Mr. MacEachen: That is an involved question. It is an argument. However, I can say that we have repeatedly stated that Dr. Donald's report was necessary in order to develop a long term policy for the industry. The report is an aid; of course it is an aid. Any reference to an accomplished fact is nothing but a simple logical reference to the fact that a basic policy decision had been taken by the government of Canada with regard to the coal industry, something the government my hon. friend supported failed to do. That is all we are talking about when we speak of an accomplished fact, it is, that a specific policy decision was taken which we are implementing in accordance with the statement made last fall.

Mr. MacInnis (Cape Breton South): Mr. Chairman, I should like to ask the minister to withdraw a false statement he made with reference to the former government failing to do anything, because I have written evidence from many in the mining areas to support my statement that the former Conservative government offered money for the extension of the life of No. 4 colliery at Glace Bay but Mr. Fairley, the president of the company, did not accept the offer. I would ask the minister to withdraw the remark he made in respect of the former government.

• (5:40 p.m.)

Mr. Martin (Timmins): Mr. Chairman, I have been listening with a great deal of interest and a certain amount of amusement to the display we have had for the last hour and a half. Not being an expert in mathematics I am not sure whether the funds that did not get to Cape Breton Island cost the Liberals more than the votes they did not get in Prince Edward Island. In any event, one thing that this display did point out is that the practice of appointing political hacks to responsible jobs, which has gone on far too long in this country, is one with which Canadians are becoming extremely fed up. If a man has the qualifications for a job he should be appointed to that job regardless of his politics. Men should not be appointed to jobs simply because they support a particular political party. Canadians have had enough of this policy. It has been going on for 98 years and it is about time it was stopped.

As an individual who was the recipient of special attention by the Liberal party during the last election campaign I may say that in my part of the country the results were somewhat similar to the results mentioned by other hon. members. There was no suggestion of $25 million or $150 million thrown around in my area but we did receive special attention from the Prime Minister and others. Let me point out to the government and to the minister that it is not by election promises that they are going to garner the votes they seem to want so badly at elections in those areas to which they pay so little attention at other times.

Abraham Lincoln made an extremely interesting statement upon which I think the government should ponder when referring to the mining industry in Canada today. He said:

> If we could first know where we are and whither we are tending, we could better judge what to do, and how to do it.

Two announcements appeared in the newspapers recently, one yesterday and one about two days earlier, regarding mining matters. I should like to refer to these announcements at this time because I have learned from past experience that the only time one can discuss the Emergency Gold Mining Assistance Act is during the consideration of vote No. 1 of the estimates of the Department of Mines and Technical Surveys. A couple of days ago we saw a report to the effect that the production of gold last year in Canada dropped some 11.4 per cent in one year. Yesterday when we picked up the *Globe and Mail* we saw the following headline: "Labour Shortage Forces Shutdown Of Two Gold Mines". In the body of the article there appeared this subheadline, "Pickle Crow May Close". It is not new in this

country for gold mines to close. That has been the sad pattern for 18 years.

The only thing this government or any previous government during the past 18 years has ever done in respect of the gold mining industry has been to hide behind the Emergency Gold Mining Assistance Act. Governments have tried to salve their conscience through the use of this Act, thinking that they are doing something and have a gold policy. Let me point out that while they have had this policy on gold the number of gold mines in this country has dropped from over 250 to less than 40 today, and they are closing down at this time at the rate of three, four or five per year. If this trend is continued for another five years we may find that the gold industry has become extinct in Canada.

If the government is happy to permit this industry to become extinct I wish they would get up and say so. I think the people engaged in gold mining would be very interested to know that the government does not give one hoot about gold mining communities because, having learned that, they could then make future plans. They would know what to do rather than not knowing and just sitting and waiting day by day and week by week for the axe to fall.

As I have pointed out on other occasions in the house, there is no doubt that we have gold in this country. We have plenty of gold but it is uneconomic to mine it. This government has not done anything about that situation. The Emergency Gold Mining Assistance Act is a sort of temporary old age pension scheme for the mines that exist at this time. Everyone knows that every existing mine will be worked out at some time or other. We have had mines closing down for the past 15 or 18 years but they are now closing down for an entirely new reason, as stated in the article in the *Globe and Mail* to which I referred under the headline "Labour Shortage Forces Shutdown Of Two Gold Mines". The article quotes the president of Porcupine Paymaster Limited as saying:

> If we had been able to obtain the men we needed eight months ago, we could have lasted a lot longer—

I know that to be the fact, Mr. Chairman. I know that the Paymaster mine has more gold reserves than any other mine in the Timmins region but they do not have the men to mine it. We do not have the ability to mine this mineral economically in Canada today.

This whole question is complicated and difficult to deal with during our consideration of the estimates of the Department of Mines and Technical Surveys because it is so interwoven with other government departments that it has not become the responsibility of a single minister but rather the responsibility of the government as a whole. The Minister of Finance is brought into the picture because his department has some responsibility regarding the price of gold and Canada's position in regard to gold in the international field. Other mining operations come under the department of the Minister of Trade and Commerce. We received a couple of announcements last week in this regard which I should like to deal with briefly.

The Minister of Labour is involved in this industry because of the new manpower resources program. His department should be very much involved in this field because of the fact that mines are closing down as a result of a labour shortage. Is there nothing the government can do in this regard or is it just not interested?

It was not my intention to speak at all during the consideration of these estimates because I realize, as almost everyone across Canada must realize, that we are really talking about something in the past. This is the last month of the current fiscal year and the funds we are now discussing have almost entirely been spent. The whole mining industry is a matter that requires urgent attention. It calls for immediate action and some announcement from the government as to its policy and intention. We cannot wait for action, as we have waited so long, because at the end of this month 250 men will be out of work as the result of the closing of one mine in the Timmins region.

The closing of one mine in any area affects a great many people throughout the country. For instance, a closed mine will no longer consume the things normally consumed. The suppliers of these goods will no longer have that market. I am sure that a great many more than 250 men will be affected by the closing of the one mine in the Timmins area.

Surely it is time for the government to take the situation in hand and, to use the words of Lincoln, first find out where they are going and what they want to do, because then and then only will they know how to go about it and how to do it. I hope the government will not continue to stumble along as they have been stumbling for so many years, because that is how we get into situations like the one which exists now in the mining industry.

A few days ago the Minister of Trade and Commerce made an announcement pertaining to the export of copper which I am sure is of great interest to the Minister of Mines and Technical Surveys. However, as I said before, the whole mining industry is so interwoven with other government departments that it becomes a matter of government concern rather than the concern of one minister. I should like the Minister of Mines and Technical Surveys or the minister speaking on his behalf to inform the house whether the step taken the other day is a first step toward the processing of our minerals in this country.

• (5:50 p.m.)

I am sure this must be the objective. I do not think even the government could argue against that kind of objective for this country. I believe that the sooner the government of Canada announces this as being the policy with regard to minerals in this country, the better off we shall all be.

There is something else the minister could do at this time. He could inform the house what specific measures are being taken to ensure equity in the issuing of permits for the export of copper and what measures are being taken to ensure that no undue pressure can be brought to bear on producers in this country. I believe this is of vital importance. There are many new copper mines going into production in Canada at the present time and I think it is only fair that they should know where they stand and that they will receive equality of treatment and will not be put under the thumb of or subject to the whim of the cabinet in these years of frequent elections. These are matters about which I think the minister might inform the house before we move from item No. 1 of his estimates.

But most important and urgent of all at the present time, in view of the matters I have mentioned, I think the Canadian people and the members of this house want to know what are the government's intentions. Are they really going to do something about this industry or are we to sit idly by and let the industry die?

Mr. Kindt: Mr. Chairman, the hour is getting late and I shall try to make my remarks as brief as possible. I was very much impressed by the words of the Minister of National Health and Welfare. I thought, however, that there was more heat than light in what he had to say about the coal industry. He mentioned that he would bring us up to date on the situation in the coal industry but in his mind there is only one coal industry and that is in Nova Scotia. He fails to realize that in western Canada we have about 7 per cent of the world's supply of coal. How can the minister, when speaking for the coal industry of Canada, overlook that fact? I know the question of politics is involved in regard to Nova Scotia but this does not excuse him not bringing us up to date in regard to the situation in the coal industry in all parts of Canada.

Before this debate started I asked whether the Minister of Mines and Technical Surveys would be present and the house leader gave us the answer to that question. The Minister of Mines and Technical Surveys is an easterner and as substitutes for him we have two good ministers from the west. I am sure they will listen attentively and give the coal industry of the west a fair deal.

The Minister of Mines and Technical Surveys is from the east, as I have said, and my guess is that the knows little or nothing about the west or the western coal industry. Therefore I would suggest that the two hon. gentlemen who are substituting for him bring to his attention the fact that we would like the minister to come out west. We would like to get to know him and we would like him to become educated as to our problems.

I have said on other occasions in the house that when he comes west he should talk to the right people. Let him talk to the Members of Parliament in those areas. If the minister gets in touch with me I will be glad to take him to the Crowsnest Pass and vicinity and introduce him to people with knowledge of this industry so he will be able to come back with some real knowledge about the problems of the area. I would be very glad to do that. I see that the Minister without Portfolio smiles but he knows that what I have said I mean. I leave that matter there, Mr. Chairman.

At this time I shall not find fault with the Dominion Coal Board but will leave that to another time. However, in my opinion the chairman of the coal board should come out west and familiarize himself with our problems. Speaking of the coal board, I wish to pay tribute to one of the greatest civil servants in the whole body of the civil service of Canada. I refer to Mr. O'Brian the former chairman of the Coal Board. He was always approachable; he had a job to do and he did it. I have not met anybody who has said anything derogatory about the services, ability or anything else in regard to this great

civil servant. I pay that tribute to him. As head of the Coal Board for a period of years he did an excellent job.

In 1957 the government of Japan lost the traditional source from which they purchased coal. They used to get it from Manchuria. There was some difficulty between the government of Communist China and the Japanese so the Japanese had to find other sources of supply of coal. They obtained some of their coal from the United States, some from Australia and some from Canada. With regard to the coal they obtained from Canada, this development took place in about 1957 and as a candidate in the Crowsnest Pass I was the one to make recommendations for the export of coal to Japan. I promised the people of the Crowsnest Pass that if elected I would ask my government to do everything possible to get coal moving to Japan.

When I was elected in 1958 I approached Right Hon. John G. Diefenbaker and his cabinet with a recommendation that a subsidy be paid to help start the movement of coal to Japan. That was done. At first Japan bought our coal on an experimental basis. We shipped a few tons because the Japanese wanted to make tests; they wanted to mix it with their own coal and utilize their own product. They wanted our coal because of its high bituminous content for metallurgical purposes. Therefore they imported coal from Canada to mix with their own.

Mr. Chairman, may I call it six o'clock.

The Chairman: Order. It being six o'clock the house will now proceed to the consideration of private members' business in accordance with subsection 3 of standing order 15.

• (6:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

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 Waterloo South (Mr. Saltsman), Labour Conditions —Windsor—lay-off of Ford workers; the hon. member for Nicolet-Yamaska (Mr. Vincent), Agriculture—inquiry concerning new dairy policy; the hon. member for Verdun (Mr. Mackasey), Canadian Centennial—suggested restoration of grave of D'Arcy McGee.

BUSINESS OF THE HOUSE

SUGGESTED RELINQUISHING OF PRIVATE MEMBERS' HOUR

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, may I ask that private members' hour be deferred tonight so that we can continue with the discussion of estimates in committee of supply.

Mr. Deputy Speaker: Does the house agree to suspend private members' hour and continue with the discussion of the estimates of the Department of Mines and Technical Surveys?

Some hon. Members: Agreed.

SUPPLY

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

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

Administration services—

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, $2,506,600.

Mr. Kindt: Mr. Chairman, in 1957 when the Canadian Pacific switched over from the use of coal burning engines to diesel engines there was a tremendous amount of unemployment and distress in the Crowsnest Pass area. Many of the people were at their wits' end to know what they were going to do. Some people moved out. However, the shipments of coal to Japan, the winter works program and other things gave some employment to the people who remained in the area and enabled them to remain in the area until times got better.

The subvention which was first paid on these coal shipments was around $4.25 per ton whereas today it is $2.73. The cost of transporting coal from the Crowsnest Pass to Port Moresby jumped from $5.13 per ton to $5.28 per ton, another 15 cents. This brings me to the point I want to bring to the attention of the Minister of Mines and Technical Surveys. At the time these coal shipments to Japan were arranged our understanding was that after these shipments had reached a certain volume there would be a reconsideration of the question of subventions. I may say that these shipments have reached approximately 800,000 tons, which amounts to a considerable business. The present government went along with the program and paid the subsidy on another 200,000 tons, bringing it up to around 800,000 tons.

This action by the present government gives me a lot of satisfaction because I was the originator of the coal shipments to Japan. I fought like a tiger to bring them into being and to make sure that economically it was a sound development.

As a matter of fact, everyone in the coal business of the West is solidly behind this development. Where are we now? We want the Canadian Pacific Railway to cut the cost of transporting the coal from the Crowsnest Pass to Port Moresby. As I have said, they are charging $5.28 per ton. Our intention was, if we could get volume shipments, to have the Canadian Pacific cut their cost a little bit, that the operators would perhaps take a little less profit, the handling charges at Port Moresby could be lowered a little bit and we could get the Japanese to pay a little bit more and thus do away with the $2.73 subvention. These shipments are made for the most part in Japanese bottoms.

That was our intention at the beginning. Today, after some six or eight years, we have reached the position where the operators are within sight of accomplishing that end and we could increase the shipments of coal to two million or three million tons. The Japanese want the coal. Lord knows, we have enough coal of that type to last us for 2,000 years. We need not feel that we are digging into something we are going to need tomorrow.

Our sales of coal to Japan are going to help the economy of western Canada and help employment in the industry. The Crowsnest Pass area is going to boom. It is going to help Canada's exports. This is an economic development of great value to Canada. I hope that the log jam which is now preventing that development from taking place can be removed. What is the log jam? It is the fact that the Canadian Pacific, instead of lowering their rates, increased them by 15 cents a ton in October during the last election campaign. The rate is now $5.28. If the Canadian Pacific would give us a commuter train from Coleman to Port Moresby, a quick turnaround train such as they have in the United States, we would be able to cut the cost of transporting the coal by $1.50 per ton. If this is done I believe that the $2.73, by taking a chip off here and a chip off there, could be eliminated and the operators could obtain contracts with Japan for increased coal shipments amounting to two million or three million tons.

[Mr. Kindt.]

• (6:10 p.m.)

That is where we stand on the shipment of coal to Japan and on the whole problem of exporting coal from western Canada. May I summarize what I have said by asking two or three questions? First, I wonder whether the minister is familiar with the problem? If he is not, let him go out west and find out. This is what we want. We do not want any more fooling around with this thing. We have been talking to him gently in the hope he would see the light and be interested enough in western Canada to go out and familiarize himself with the problem and develop an action program in co-operation with the people out west. Then we want to have a discussion with the Canadian Pacific to get this idea across. How active have the minister and his associate been in helping to arrange the C.P.R. commuter train desired by all associated with the industry? What attitude does the C.P.R. take with respect to commencing a commuter train service, cutting costs and bringing about this entire development?

These are questions to which I hope the new minister will provide answers, Mr. Chairman. I shall reserve any further discussion until the estimates for the coming year are before us for debate during the course of the next few weeks.

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, I should like to make a few brief comments on these estimates. Before I do so, however, I should like to recall the attention of the committee to some comments made while the hon. member for Cape Breton South was reading from an article which I understand was written by that great worshipper at the shrine of Liberalism, Mr. Peter Newman. When the hon. member came to the part where the article stated that the former minister of mines, now chairman of the Dominion Coal Board, had interrupted two French speaking individuals to suggest that they speak English the hon. member for Mount Royal—I am sorry he is not here—who was formerly designated one of the three wise men but who is to my mind now one of the three unwise men, interjected to ask, "Can you speak French?"

I do not know what he meant by that, Mr. Chairman, but I will say this. Had it been a Conservative cabinet minister who made a statement of that nature I can well imagine what would have been said by the hon. member for Mount Royal and others on the other side. I can imagine the uproar, and

certainly I do not approve of a statement of that nature.

What the interjection meant from the unwise member for Mount Royal I am unable to understand. My colleague from Cape Breton South and myself regretfully, know only a few little words in French. We also know a few words of Gaelic, which is a quite common language on the island of Cape Breton. I am sorry we are not fluent in the French language. I just bring that to the attention of the committee as well as the hon. member for Mount Royal.

Before I go further I should like to take this opportunity of extending my congratulations to the new minister of mines and I wish him well. My spies have told me that he has shown a very keen interest particularly in coal mining and I trust and hope that this will continue. I am sure he must feel highly honoured today in that we have the Minister of Northern Affairs and National Resources, the Minister of National Health and Welfare as well as the Minister without Portfolio—I should say "Member of the Administration"; that is his new title—filling in for him while he is in Washington. It appears that it takes three cabinet ministers to replace him when he is out of town.

Mr. Turner: It is a very important subject.

Mr. Muir (Cape Breton North and Victoria): Yes, I realize it is a very important subject. I wish to quote what the minister, according to the Ottawa *Journal*, is reported to have said in Montreal yesterday. The heading is, "Pepin Threatens To Resign", and the article continues:

> Jean-Luc Pepin, federal minister of mines and technical surveys, said Tuesday that if bilingualism and biculturalism do not become realities soon "I will resign."

If he does not act in the manner we expect him to act in regard to the coal mining industry and show as much interest as we in Nova Scotia and the coal mining areas in Canada expect from him, then I suggest that he should resign. If he wants to make marks for himself in the coal mining areas, all he has to do is to indicate how soon something will be done about the announcement by the former minister of labour, now Minister of National Health and Welfare, which was made on October 5. I do not know why the statement was made at that time, although there was an election on November 8. I hope he will do everything he can.

I was going to invite him today to visit the coal mining areas. The Minister of National Health and Welfare said the new minister was planning to do this. I think it is an excellent idea to go to the scene and to see at first hand what a mine looks like. Perhaps the minister has been down coal mines before. I do not know, but I think it is a very good idea and I commend it to the minister. He will receive a very warm welcome, I am sure, in Cape Breton, provided that he attends a press conference there and spells out in detail just what the $25 million which supposedly has been appropriated for assistance to coal mines is going to do.

At this time I should also like to pay tribute to the retiring chairman of the Dominion Coal Board, Mr. C. L. O'Brian, who is rounding out, I understand, 40 years in the civil service. He is a man who has been most capable and still is. He very graciously stayed on in his position at the request of the previous government and the present government. He is a man who came to the old fuel board, as it was known, in 1935 and became chairman of the Dominion Coal Board in 1961. He will certainly be a great loss to the coal industry, though I hope he will not be leaving the public service entirely. I would suggest that the government retain Mr. O'Brian in an advisory capacity because his services are certainly going to be needed.

Some mention has been made of the new coal board chairman. I am not going into that other than to say that I am firmly convinced that the new chairman is going into a field for which he has no background whatever. Contrary to what has been suggested by the Minister of National Health and Welfare concerning an appointment as chairman of the Restrictive Trade Practices Commission made by the previous administration, the former member for Inverness-Richmond was well qualified for a position of that nature. He was a professional man and has certainly made his mark as chairman of that board.

I should also like to pay tribute to members of the house who are with us no longer, the late Hon. George Nowlan and the late Hon. Paul Comtois. Mr. Nowlan and Mr. Comtois worked very well together. Mr. Comtois was minister of mines and did a very good job. Did the hon. member wish to interject?

Mr. Foy: No, carry on.

Mr. Muir (Cape Breton North and Victoria): I thought the hon. member was commenting on my statement about the late Mr. Comtois.

Mr. Foy: No, I would not do that.

Mr. Muir (Cape Breton North and Victoria): I would not expect you to do that.

Mr. Foy: You are right in your expectations.

Mr. Muir (Cape Breton North and Victoria): As I was saying, this gentleman worked well as minister of mines and had great interest in the coal mining industry. The late Hon. George Nowlan, the cabinet representative from Nova Scotia, worked with Mr. Comtois in the previous administration. They did a tremendous job when the coal mining industry was facing very serious times, and through no fault of the government. If one were to check the amount of money spent in subventions and other assistance to coal mining in Nova Scotia, I am sure you would find that from 1957 when the Conservative government came into power this expenditure increased very greatly.

• (6:20 p.m.)

It was through the action of the Conservative government, Mr. Nowlan, Mr. Comtois, Mr. O'Brian of the Dominion Coal Board and others who were very interested in this industry that eventually we got into the Ontario hydro market. Because of these people subventions were provided which have allowed the coal mines to operate comparatively steadily ever since.

Another point I should like to bring to the attention of the minister concerned is that I hope the government has no intention to have the Dominion Coal Board swallowed up by the National Energy Board. I do not think this would be good for the coal industry. I think the interests of the coal industry would be lost and the coal miners also might be lost if this were to happen. I hope that the minister who is replying will make a statement whether the government contemplates such an action in the future and that the reply will be negative.

My colleague from Cape Breton South and the Minister of National Health and Welfare quoted from a statement made by the minister on October 6. I want to go into this a little further. In the Cape Breton *Post* of April 6 the minister is quoted as saying in relation to the coal industry:

> Mr. MacEachen said other measures will be taken to stimulate the Cape Breton economy. He would not elaborate.

I do wish he were in the house at the moment. If someone has nothing better to do they might send a message for him to come to the house because I think this is most important. He indicated he was vitally interested in the coal problem.

Mr. Nielsen: He shot his bolt.

Mr. Muir (Cape Breton North and Victoria): He said he did not have to be persuaded to be here. However, I do hope he will be here later tonight to provide answers to the questions that we are going to put to him. It would be unfair to expect the "member of the administration" and the Minister of Northern Affairs and National Resources to have answers at hand. I am sure that one so fully familiar with this matter as the Minister of National Health and Welfare will be only too glad to come into the house and provide all the answers necessary. The news item continues:

> There was no clear cut definition of the terms of the grant to Dominion Coal. It appeared to be almost an outright gift although it was possible the government would become a shareholder in the company to permit a certain amount of policing.

I would go along with that. I do not think that this government or any government should hand over $25 million to any company and not have it policed. In fact, I suggest to the government that when it finally comes through with this arrangement, and I hope to pose some questions about this later, it will insist on having a representative on the board of directors of the Dominion Coal Company to look after government interests respecting this grant, or whatever it may be, of $25 million.

To go on:

> Mr. MacEachen said that these details will be worked out at a later date.
>
> The federal government has directed the National Energy Board to study and report on the best means to bring about the further use of coal for thermal power on a substantial scale to feed the Maritime provinces grid.

The article then says "furthermore" which I presume means "in addition."

> Furthermore, Mr. MacEachen said, "the government commissioned a distinguished industrial consultant and engineer, Dr. J. R. Donald, in June to prepare, as a matter of urgency, comprehensive recommendations for the re-organization, modernization and re-equipment of the industry.
>
> This work is being carried out with the co-operation of the industry, the trade union, and the government of Nova Scotia, which also has appointed a special committee to deal with certain aspects of the coal industry."

The article continues:

> Mr. MacEachen stressed that Dr. Donald has been asked to consider not only the situation of the Dosco mines but also that of the independent coal operators.

An hon. Member: That was last June.

Mr. Muir (Cape Breton North and Victoria): I am pleased to see that is in there and that every consideration will be given to independent coal operators with regard to any moneys that should be forthcoming from the government to assist the industry. I continue quoting:

"Pending the completion of the comprehensive review now in progress, the government will provide substantial capital for immediate needs."

He says, "pending the completion of the review". You will note in this news item that $10 million is for the new mines and $15 million will be to rehabilitate and automate coal mines now operating. This is an afterthought with reference to Doctor Donald. I cannot see why a recommendation that may be brought in by Doctor Donald should have any effect on what the government is going to do financially.

I should also like to refer to an item in the Cape Breton *Post* of October 29. I see that the minister has just arrived in the house. I hope he will listen intently and be prepared to answer all questions that are posed before we adjourn tonight.

This news item is headed, "No Information; $25 Million Questioned." Then the article relates how the minister announced this on October 5. I continue with a quotation:

The following day Premier Stanfield wired Hon. Mitchell Sharp—

How in the world the Minister of Finance got into this I do not know. The normal method of doing things in the province of Nova Scotia is to have the cabinet minister from Nova Scotia look into the matter. It was handed to an inter-departmental committee. The next thing that happened was that the Minister of Finance had something to do with it. I presume that is why Premier Stanfield wired the Minister of Finance. I continue quoting:

The following day Premier Stanfield wired Hon. Mitchell Sharp in Ottawa as follows:

"Have read press accounts of Minister of Labour's announcement regarding coal mines in Nova Scotia. Welcome willingness of government of Canada to invest in new mine at Lingan. Assume government of Canada has decided to support market for coal large enough to avoid closure of any existing mine when new mine comes into production. Please advise size of market for Nova Scotia coal government of Canada is prepared to support. Minister of Labour further announced that government of Canada will make large scale investment in Cape Breton coal mining industry. Please advise me the amount of such investment that has been authorized."

The article continues:

On Oct. 9—three days after the Stanfield telegram, —there arrived from Mr. Sharp the following telegram to Mr. Stanfield:

"Re your telegram re Nova Scotia coal mines, since Minister of Labour made original announcement I have asked him to reply to you after consultation with me. Warm regards."

That is all there was in that telegram. There was nothing from then on until October 25 when the then minister of labour had time to reply to the premier of the province.

An hon. Member: They were busy with the next election.

Mr. Muir (Cape Breton North and Victoria): Yes. He wrote a letter and said:

Hon. Mitchell Sharp, minister of trade and commerce, has told me that you have been in touch with him following the announcement I made in Halifax on Oct. 5, pertaining to the Nova Scotia coal industry.

As you know, there is an important additional source of coal in the Lingan area. It is expected that a new mine to tap this source could, with modern equipment, produce coal at a lower cost per ton.

The comprehensive review, which I have mentioned, is being made to determine what additional steps might be taken in co-operation with the industry.

In case you have not seen a copy of the press release issued in connection with this announcement, I am attaching one for your information.

With best wishes,

Yours sincerely,

Allan J. MacEachen.

Mr. Stanfield's comments on this letter were:

Clearly Mr. MacEachen has not answered my questions. He says nothing about the size of the investment the federal government is prepared to make. He says nothing about the size of the coal market the federal government is prepared to support. He says nothing about the market for coal. He doesn't say the coal from Lingan will be marketed in addition to the output from existing mines. In fact, he doesn't say anything.

• (6:30 p.m.)

Mr. Chairman, I should like to pose several questions to the Minister of National Health and Welfare and ask him this question.

Regardless of what the Donald report says, is it the intention of the government to go ahead with this $25 million grant? Would the minister tell me also that it is not the intention of the government in the foreseeable future to agree that there shall be a cut-back in the work force of the coal mining industry as suggested in an issue of the *Financial Times*, I think it was? It was suggested there that the work force would be cut from 6,000 to 4,500 men. Has the Minister of National Health and Welfare met with representatives

of the Dominion Steel and Coal Company and said he would be agreeable to making this degree of assistance available, that is to say, the $25 million, provided there was a cutback in the work force? Can the minister ensure the committee that if and when this assistance is made available the government will not curtail or reduce subventions in connection with the transportation of coal to the central Ontario market, subventions which are absolutely necessary to the industry? Can the minister assure the committee that the government has no intention to reduce or eliminate the tariff on United States coal?

When the minister was speaking I noticed he emphasized the need for changes in the industry. He emphasized the question of manpower. That is why I put these questions to him. Is it possible that it is hoped to reduce the number of men employed in this industry consequent upon this offer of assistance?

I do not wish to hold up the committee for very long provided we get answers to some of these questions. I am sure everyone was pleased with the announcement the minister made and with his timing of the announcement during the election campaign. He said a few moments ago that he had been commended by everybody on this announcement. This is true. Everyone is happy and pleased. But we want action and we want to learn just what the government has in mind. We are concerned about possible deals—I do not want to use that word—we are concerned whether everything has been told us by the government about the arrangements which may have been made in connection with this grant.

I note that the president of district 26 of the United Mineworkers of America has stated, along with others, that there is a market for coal and that there is certainly a market for the production from new mines. So I hope there will be no curtailment of employment. I see a comment by Mr. Marsh of local No. 12, U.M.W., in the Cape Breton *Post* of February 23. This report reads:

> Mr. Marsh said he saw no point whatsoever in the Donald study, that the coal industry was studied and restudied hundreds of times over and the federal government had adequate information on hand to guide it in directing financial aid to the coal industry. He said that the government had committed $25 million to aid the industry and no delay should be made in directing this to the revival and expansion of the industry.

I had posed one or two questions before the minister came into the chamber. One of them was: Are there any plans which would lead to the absorption of the Dominion Coal Board by the National Energy Board? I do not think this would be good. I hope the minister can tell us something about this.

There have been many comments on the proposals which have been made affecting the future of this industry, most of them reflecting uncertainty. Here is a heading from an article in the *Post* of October 26: "Seek Details of Coal Aid". A local union is asking its officers to seek an early meeting with the hon. gentleman to clarify the matter. Here is a heading from the *Herald* of November 27: "Top-Level Meetings Urged In Bid To Get $25 Million Grant". On December 3, in the *Post:* "Coal Loan Questioned—Wants Details". On December 22 we find the headline appearing, "No Sign of Vital Report". The reference is to the Donald report. Here is another heading which appeared on December 29: "Dr. Donald Says Findings May Be Submitted In Two Parts".

Can the minister tell us whether any part of this report has yet been received? The *Herald* on January 20 said, "Government Waiting For Coal Report". The next day we find a story under the heading "Coal Report In 'A Few Weeks' ". So the headings go on and on. There is nothing concrete.

I must say I was pleased that my hon. friend from Cape Breton South succeeded in rousing the minister to the point where he finally provided some information. I was also pleased that last night, in reply to a question which I put to him, the Minister of Transport said:

> I can assure the hon. gentleman that the undertaking which was given by the government was not given lightly, and that it is the intention of the government to carry it out.

We were all happy to hear that. The question now is one of time. While the minister was absent from the house I referred to his statement, to be found a little later on in the text, when he referred to the work of Dr. Donald and added: "Pending the completion of the comprehensive review now in progress the government will provide substantial capital for immediate needs." Would the minister advise us what capital has been provided for immediate needs during this period when the Donald report is being awaited? I will let the subject rest for the moment and hope to participate in the discussion later in the evening after we have heard from the minister.

Mr. Peters: Mr. Chairman, I was very interested in hearing this afternoon a discussion between representatives of one section of

Canada and their minister. I wanted to ask whether that minister believes he has authority to speak on behalf of the Department of Mines and Technicial Surveys and make this promise of $25 million. If there are possibilities of this kind we in other parts of the country are interested in adopting the minister for ourselves.

I noticed that the hon. gentleman was willing to defend a new appointment to the coal board and he made a number of statements about appointments and patronage such as goes on in the maritimes. It seems to be a fairly open subject in that part of the country. I am not saying it is bad but if there is a constitutional basis for this kind of representation I should like to know what it is because some of the rest of us would like to have it. I am sure hon. members from British Columbia would find a minister of this kind very valuable if he were willing to make the same kind of commitment as that which has been made with respect to the Maritimes.

I was also interested in the remarks made by hon. members with regard to the coal situation in the Maritimes. There is no coal in my area or in northern Ontario generally but there is a great similarity between the problems there and the problems which face the Maritimes. We are dependant on natural resources and on the mining industry for much of our wealth and we are now facing a situation which people in the maritimes have been facing for a long time, the closing of mines which are coming to the end of their operation. We do not seem to be doing anything about it.

• (6:40 p.m.)

We are not particular about having promises such as they seem to have had in the Maritimes; they certainly seem to have had a whole lot of them. There have been many promises of a political nature in the Maritimes in the last two years in respect of what was going to be done. I think the problem in the Maritimes is one which has to be solved, because when a solution is found it probably will apply also to the mining industry in northern Ontario.

I am interested in another field today. I am well aware of the fact that the two ministers here probably are more competent in the field of water resources, since I have had some experience with them in a committee on this subject. I should like to go into the matter of the diversion of water from James Bay and Hudson Bay into the waters of the Great Lakes chain, because I am sure we probably would get more answers in this regard than in some other fields. However, I think the other fields probably are more important to the people whom I represent.

I will be a little like the hon. member from the Maritimes and will speak mainly of an area in northern Ontario which has problems very similar to the problems to which the hon. member from the Maritimes referred. I am referring to the area encompassing Sudbury, Timmins, Timiskaming, Cochrane and several ridings on the Quebec side of the border. One of the problems we have is in relation to the gold mining industry. If there ever was anything closely connected with government, it certainly is the gold mining industry because of the manipulations which have been carried on by governments not only in Canada but throughout the world with regard to this very important commodity, gold.

I am not particularly sure that we should go back to the gold standard but I am of the opinion that the Canadian government must give consideration to what they really want to accomplish in respect of gold and other precious metals and the relation these have to our international trade, the international monetary fund and, yes, the gold of the Canadian nation. We allow gold to be sold at a fixed price in the United States when there are markets across the world which will pay two or three times the amount of money that the United States is prepared to pay.

Our whole gold system in Canada is in chaos. We, as are other countries, are faced with the fight that is taking place in respect of the backing of currency by gold or by the United States dollar. I think it would have been interesting if Mr. de Gaulle had been a few years younger and had had a few more dollars in bullion under the bed to recall in gold the money lent by the United States to France and then decide whether the backing for United States dollars should be by the International Monetary Fund or whether gold should be the commodity.

It is interesting, when speaking about the role of gold in currency, to point out that when the United States was in serious difficulty in the early 1930's President Roosevelt raised the price of gold from $28 to $35 and at the same time put in a clause to the effect that under the same Act gold could be raised to $50. It is also interesting to note that when

the Republicans at a later date decided to raise it to $50 they found there was a clause there which meant that the whole matter had to be reviewed again in the manner which President Roosevelt had followed and the government of the day did not decide to do this.

I think the Canadian people should consider gold as another commodity. We should either keep it in Canada and decide for ourselves what the commodity should be worth —I presume we could sell it internationally at $70 an ounce—or we should decide to keep it in Canada in the reserves of the nation so that we too could deal with the United States in terms of currency and leave the gold in storage in Canada until something is done about it internationally.

It is fair to say that this government has no intention of increasing the price of gold; it is also a fact that the previous government had no intention of increasing the price of gold. I think it will be some time before a minister of finance from Canada will go to the international monetary fund with a few of his colleagues and ask for an increase in the price of gold, even with the support of some of the other nations who are going to ask for it.

I think we should be prepared in Canada to decide for ourselves the price of gold and to allow such prices for that commodity in the gold mining industry which would expand that industry so that it can pay wages and operate the mines. This would result in a great increase in the production of gold and in the development of many areas in Canada. If we do not intend to do this, then let us close down the gold mines and do something for the people of those communities and not keep dragging our feet to the extent, as the member for Timmins pointed out, that gold mines in Timmins have had to close down.

If gold is a commodity which we can sell and is a worthwhile commodity, then let us decide nationally to support it to the extent that we can mine it or, if not, get out of the field. I suggest that, if the solution is an increase in the emergency gold mining assistance program—we are paying a large sum of money at the present time to that industry—let us do it in such a way that part of it will go to the miners in the form of wages and part of it to the communities to enable them to pay the taxes to operate the municipalities rather than make it necessary for the people living there to pay abnormally high taxes to support education in areas in other parts of Canada when they are not going to get the benefit of the training that is not now being provided in all the northern areas. Had we done this in the first place, sums of money would have been available to the gold mining communities of northern Ontario to enable the industry to pay wages and subsidize the maintenance of new industries until they were vibrant.

[Mr. Peters.]

There are other industries in the mining field which have not received much assistance. One of them is the silver industry. I can remember Mr. Lynch, the former president now deceased, of Siscoe Mines going before the United States Senate and the United States House of Representatives and telling them that if they did not face the problem of finding a method to allow silver to seek its natural level they were going to have to debase their coinage. They have now had to do this, as Canada will have to do as well, because they did not take the advice of the people who were completely familiar with the history of the silver mining industry and the maintenance of sound solid sterling currency in their own countries.

• (6:50 p.m.)

The silver mining industry in Canada has been a very important industry. It has made Bay Street, it has made St. James Street, it has made fortunes and has supported many industries in all parts of Canada, as has the gold mining industry. I think these industries deserve some guarantee as to their future just as I believe the gold mining industry deserves some guarantee as to its future. The solution to this problem is easy and can be effected in my area if the government has the guts and courage to take action.

There is a new captive iron mine opening in my area which is owned by a Pittsburgh steel company. I suggest that the production of iron in that area has been subsidized in many ways, including cheap transportation over our provincially owned railway, to such an extent that we receive no royalty at all for the iron taken out of the ground. The only benefit we receive in this regard is employment for 200, 300 or 400 people in the area. It seems to me that if this industry was operated properly and a steel mill was established in northern Ontario there would be jobs for 2,000 to 5,000 individuals, each of whom would pay provincial taxes, municipal taxes and federal taxes. I am sure in this way the money necessary to develop that steel industry would be repaid in less than 20 years.

Do we want a Canada or are we just to be hewers of wood and drawers of water for the United States? We are going to have to think about this. I agree with everyone who says that one small mine will not support a steel mill but a Timagami mine is being opened by Dofasco. I refer to the Sherman mine, It is to be financed independently and has no captive-market. It is going to sell its own ore. This ore could go to a most lucrative market if there was a steel plant in that area.

The minister from the Maritimes is interested in developing projects in the Maritimes. I suggest he has a difficult proposition because he has not faced the problem referred to by a previous speaker, that is, where are the markets to be? We have markets in northern Ontario for steel to meet Canadian demands which are not being met in Canada today. We have iron ore right at Cochrane. There are two or three deposits in my riding and there are deposits across the border in Quebec. I suggest there are enough iron ore deposits in my part of northern Ontario to supply such a steel mill for the next 50 years, but even that amount would not satisfy the entrepreneurs who would develop this steel mill. They would need a longer guarantee of supply than 50 years.

If we want to develop a long range steel production project in Canada we should consider the iron ore deposits on Belcher Island in Hudson Bay. There is enough iron ore there to make it economically feasible to bring it to northern Ontario to supply a steel mill there for at least another 50 or possibly 100 years. When that iron ore has been used I am sure there will be much more found in that area because in my opinion the surface has only been scratched.

Such a project could be carried out if the government really wanted to do something in this way, but it will have to put up the money. I don't give a damn who runs the mill, whether it be private industry or the government. I could not care less. But there are legitimate reasons why the company that already has a mill established in Pittsburgh will pay any type of premium and make any kind of investment to obtain a captive mine in Canada, particularly when the government makes arrangements for the iron ore to be transferred to the United States at the lowest possible cost. I do not blame the entrepreneur in Pittsburgh in this regard but I believe that if we are really anxious to be Canadians and have Canadian industries we are going to have to put up some money.

I have heard a lot of wisecracks made by western members about the steel mill in Regina. I suggest that if there ever was an illogical place to put a steel mill it is on the baldheaded prairies where there is no market and no iron ore. However, a steel mill was established there with government support for the simple reason that the west needed steel to develop an industrial empire on the prairies. The provincial government put up money to make sure that a steel plant was developed there. Some may point out that there have been difficulties encountered since its construction but steel is being manufactured on the baldheaded prairies. In my opinion that is not a place where the officials of the Department of Industry would recommend that a steel mill be built because you cannot establish an industry unless you have the basic materials and resources in the area where it is to be established. You also require a consumer market.

I suggest that the Department of Mines and Technical Surveys has been a useless asset over the years so far as the communities of northern Ontario are concerned. It is true that the department has done a great deal more in other fields than mining, and much of the difficulty has revolved around the fact that natural resources come within provincial jurisdiction. For that reason the provincial departments of mines have a much greater responsibility than the federal department. On the other hand, I do not believe the people in Toronto would try to discourage the federal government if it were willing to invest money to develop the industry in northern Ontario. I am sure they would not be in disagreement provided it did not cost them anything.

I used the iron ore industry as an example but what I have said is also true of the copper industry in the Timmins area. This is also true of zinc and silver mines. It is interesting to note that the Timmins area will provide a great amount of ore over a long period of time and will have great influence on copper production in Canada. I think it is a disgrace if the companies involved are allowed to export this raw material to other countries.

The Minister of Northern Affairs and National Resources has been interested in the export of ore from Canada. I am sure he is aware of what happened in Australia not long ago when the government told a Japanese company that it could take part of the ore mined in Australia out of the country if

in return it developed a processing mill in Australia. The government told that company that if it did not agree to these terms it could not take any ore. Why should we be so generous with the United States because the interested people there have a few bucks? Are we willing to sell our souls, our Canadian nationalism and our Canadian nationhood for a few dollars and cents? I am sure if you ask that question of the businessmen of this country their answer will be yes, as long as they pay us more bucks than we can get in Canada. I do not think that is true of the Canadian public and I hope to God it is not true of the Canadian government. Surely it is time now for some of our government officials to stand up and say that this is not true.

We hear a lot of talk about gold and silver and the fact that they are only precious metals which do not make the wheels of industry go around, but there are a lot of people engaged in space exploration who will tell you that without silver there would not be much activity in that field. I think that argument can be carried into the basic metals industry. We have an abundance of these metals in northern Ontario.

I have often said that we should not be interested in moving people from one industrial area to another. We must bring industry to the areas where these people live. You can say that the people who live on Belle Isle are poor and depressed, you can say that the people of the Maritimes are poor and depressed, but let me point out that some miners in northern Ontario are working underground for less than $2 an hour.

• (7:00 p.m.)

I say that is a depressed wage. This situation creates a depressed area and something must be done for these people. I suggest that if you agree with this proposition you also have to agree that the solution is not in uprooting the people from the areas in which the mining industry has developed very up to date communities; the solution is in helping the mining industry rebuild their communities, particularly in those areas where the industry has changed and where the type of industry lends itself to the development of other industries.

The Prime Minister came into northern Ontario. I had the benefit of having him start his campaign in my riding. I hasten to say that I do not disagree with what the Prime Minister said in my riding, because he said he would see that something was done about industrial development in Timiskaming. He said he would do something for the farmers in Timiskaming. He said he would help industry develop in northern Ontario. With these objectives I agree. I suggest that if a Liberal or a Conservative had been elected in Timiskaming they also would have come to Ottawa and demanded government assistance to develop the industries of our area.

The people of northern Ontario, no matter with what political party they are affiliated, are first northerners and second politicians. I believe they are all convinced that if we in northern Ontario are to survive something must be done for the industries in this area. Certainly the Minister of National Health and Welfare knows something of this problem because he had something to do with it. He knows there is a great reluctance on the part of the people of northern Ontario to move out of this part of the country into the cities, even though the jobs there pay a great deal more money. He knows it is difficult to move people from Glace Bay into Toronto and Montreal. He knows it is difficult to move people from any area in which they live and have been raised if they are satisfied with everything in the area but the lack of business and employment opportunities. If the minister agrees with what I have said, he has no alternative in my opinion but to support the proposition that the federal government through the Department of Labour, the Department of Mines and Technical Surveys and the Department of Industry, should take the resources that we have, subsidize them if necessary, and create around them viable industries that will grow and develop in the area. If private industry does not do it, I suggest that the governments of the provinces in co-operation with the federal government will have to do it.

I am very pleased to live right on the border of the province of Quebec because I have heard that their Minister of Resources, Mr. René Lévesque, went into Noranda and told one of the richest, most despotic and dictatorial companies ever to exist on the North American continent that if they did not do something to improve wages in the base metal industry he would do something about it, and nationalize them. I do not think he has to nationalize them; all he has to do is threaten to do so.

It is about time this government considered what happened there, because the company settled its differences with labour very shortly afterwards. Mr. Lévesque called both labour and management representatives to

Quebec city and told them, "Sit down and negotiate a solution to these differences or I will run your mines and make the decisions for you". We are told that this is a government of free enterprisers, if there is such an animal left. Free enterprisers is a term applied to the gold mines, because we give them a million bucks a month to run the business they want. Yet, they are not willing to pay proper wages to their employees or contribute anything to the well-being of the community.

I come from a community in which one individual has made millions of dollars but has not put one red cent into the community. He did build lovely parks in Welland and established beautiful estates in Bermuda, but he did not put one cent into the community in the form of assistance. Yet these are the people we are willing to subsidize, not the workers, communities or industries that are capable of developing.

The government says this area does not meet the criteria. Criteria be damned; the Department of Industry has no criteria. The Prime Minister sits down with the Premier of Ontario; they play shuffleboard with the criteria and decide, "This place in my riding will be designated and in return I will designate one area in your riding". Is that applying criteria? It is about time we threw this idea of criteria out the window and decided to do something fundamental in regard to developing industry. This can be done. It has been done in the Scandinavian countries.

I do not think I should agree to any concessions in regard to the departments which we are considering because this government has not through its ministers made any concrete proposals in keeping with the suggestions the Prime Minister made in my riding, when he promised he would help solve the problems of the distressed areas, those of the gold mining industry and the lumber industry, and establish a program for the base metal industry that would provide the people there with more than minimum wages for digging out the minerals.

The mineral wealth of northern Ontario is beyond comprehension. I do not think there is any geologist in Canada who would dare to estimate in hundreds of billions of dollars the amount of mineral wealth that will come out of northern Ontario in the next 100 years. In return for this great potential I believe we the people of northern Ontario, yes, we the people of Canada, deserve action on the part of the government to assist this industry. Something should be done about developing the natural resources of our nation for the betterment of the people of Canada.

I certainly hope that the minister who is going to represent northern Ontario, whether he be from Montreal or Vancouver, will stand up and say he is prepared to recommend to the government that they do something about the desecration of our raw materials in northern Ontario and help us produce the wealth which is there and get the benefit in Canada of the wealth we are producing.

Mr. McLelland: Mr. Chairman, I should like to make a few briefs remarks at this time and ask the ministers responsible whether the federal government has taken the necessary steps to see that the waters which flow into and make up the South Saskatchewan river will have strict controls placed on them as to water pollution substances.

As everyone knows, the dam being built on the South Saskatchewan river will create a large lake practically in the centre of southern Saskatchewan. It is of great importance that these waters be kept free of all pollution, because if they are not the lake that will be created could become a natural cesspool in years ahead.

We hope the federal government has a rigid pollution policy that is acceptable to the provincial governments of Saskatchewan and Alberta so that the necessary safeguards can be applied in order to keep these waters relatively free of all pollution. Saskatchewan has waited many years for this project to become a reality and waits with pride and expectation to the time when it will have a recreational area in what was once considered a dust bowl in Saskatchewan. This lake will be used as a recreational area by many people from all parts of Canada in years to come.

For this reason I would plead with the federal government to put into effect a rigid water pollution policy governing these waters as well as other waterways in western Canada. I would expect that if the federal government takes the initiative they will receive the co-operation of the provincial governments concerned. This is of importance at this time because the lake has started to become a reality and steps should be taken now regarding water pollution.

• (7:10 p.m.)

Mr. MacEwan: I wish to make a few remarks on the estimates of the Department

of Mines and Technical Surveys. First of all, I should like to refer briefly to the words of the Minister of National Health and Welfare when he mentioned the hon. member for Cape Breton South. He said the member had not brought forward any constructive ideas about coal mining in the province of Nova Scotia in this or any other Parliament. I remind the minister, Mr. Chairman, that the hon. member for Cape Breton North and Victoria, the hon. member for Cape Breton South and myself come from coal mining areas. The very fact that these members have been sent here by their constituents shows that they have a right to get up in this house and speak on behalf of their constituents. The hon. member for Cape Breton South is well versed in the coal mining industry of Nova Scotia, having worked in the mines. The hon. member for Cape Breton North and Victoria broke his back working in a coal mine. I worked in a mine, too, and although I do not know how much coal I got out, I was brought up in a coal mining family, a fact of which I am very proud.

May I just remind the minister we are not back in the old days of the former Liberal regime, when our people came to Ottawa with their hats in their hands to see the great white father. This idea went out the window in 1957. At that time, I was pleased to come to Ottawa, with my two colleagues, and put forward representations from the coal mining areas. We intend to carry on for some time to come.

You ask, what is the problem in the coal mining industry? The hon. member for Timiskaming thought that perhaps markets were our problem. Until a few years ago this was the case. I am going to quote briefly from the Dominion Coal Board report for 1964-1965, page 10, where I find this:

> Coal production in Nova Scotia in the year under review was 4,316,000 tons. The decrease of 159,000 tons reflected circumstances at the mines and failure to meet production targets, not lack of markets.

The report goes on to point out that the trouble with our mines is their inability to generate the capital required for a systematic renewal of equipment. In other words, there are two problems. This fact was pointed out in a brief presented by the United Mine Workers of America not long ago when they appeared before the provincial government at Halifax. I believe they want to come up and visit this government. The minister asks the question, what is the hurry? I think there have been a lot of resolutions coming from Cape Breton. I received a copy of one from the Sydney Board of Trade. The people of Cape Breton, the people of Nova Scotia, are getting most impatient. They want to see this undertaking commenced immediately.

There are two problems. There is the matter of the older mines in which it is costly to produce coal, and there is the matter of setting up new mines, which will provide enough coal to satisfy the markets which we have. Perhaps in this regard I could point out briefly the problem in my own constituency. In that area, we have two independent mines. I hope the Minister of Mines and Technical Surveys will not forget to give assistance to the independent mines. There is one mine owned by Dosco, the McBean mine which, according to the latest figures has a life of approximately three years. I am glad to report that just last week the United Mine Workers of America executive met with the officials of the department of mines and with the United Mine Workers executive in my own area, and a decision was made to do some drilling in that area in order to find new seams to open up a new mine in the Pictou County area. I do not expect the minister, or indeed our Nova Scotia minister, to do anything at this time except co-operate with the provincial government in order to find a possible opening in that area.

I made a statement on this matter before coming to Ottawa, and I attempted to raise it in the house. However, I was ruled out of order by Mr. Speaker. I fell that the federal government should provide assistance to find an opening in our area. I am led to believe that $25 million will be necessary for the modernization of the mines in the Cape Breton area and the new opening at Lingan. I am asking for an additional amount to assist in the opening of a new seam in the Pictou County area. The McBean mine employs about 400 men. During the last few years we have secured new industry in the area, namely the Scott Paper Company pulp mill, as well as the Clairtone Sound Corporation. I know that this company intends to venture into colour television sets in the spring. As has been pointed out, and this is most important, we cannot replace present industry with other industry. We must keep our present industry as well as get new ones. I put before the minister, and indeed before our Nova Scotia minister, the necessity for a guarantee that there will be adequate assistance for a possible opening in our area.

The cost of our coal is high. As has been pointed out by the hon. member for Cape Breton North and Victoria, we had some contracts during the last few years with the Ontario Hydro Commission. These have been a great help and we hope they will continue. I believe, as was pointed out by the efficient chairman of the Dominion Coal Board at the meeting in Victoria, that our hope for years to come for the production of power is in the thermal plants. As pointed out in the Dominion Coal Board report, this substantial rise in bituminous consumption largely reflects the accelerating rate at which coal is now being used in Canada for electric power generation. So far as I have been able to ascertain in my research, this is the area toward which most authorities in Canada look today in the matter of coal production. Our hope lies in supplying coal for the production of power in thermal power plants. My own area has one such plant, at Trenton which I hope will be enlarged. It is for this reason I am pressing for the new opening. This plant has used a great deal of coal in the last few years and it looks as if it will use more.

We do not have a sufficient supply of coal to look after our domestic needs, so we have to import coal from the former Island of Cape Breton. Certainly, we like to use that coal. I do not know whether it generates any more coal dust than was generated in the chamber this afternoon. In any event, I want to agree with my two friends, the hon. member for Cape Breton North and Victoria and the hon. member for Cape Breton South, whom I will call the coal dust twins. I completely endorse the remarks they made in this debate.

In conclusion, I will turn from coal for a minute to the matter of technical surveys. I am going to make a speech which I have made in this house every year since I have come here. It will only take two or three minutes. I refer to the Canadian hydrographic survey ship *Acadia* which has been berthed in my riding at Pictou since 1947, along with the C.H.S. *Cartier,* which probably will not be used too much longer and is now on the Great Lakes. I have been referring to this subject since Hon. Paul Comtois was minister and visited our area and the coal mine where my father was the manager. I have pointed out to successive governments that the berthing of this ship in that area during the winter period when it is not used, has certain advantages.

The crews are located there, they have their homes there. The local shipyards have an opportunity to do the refit work and the local suppliers provide supplies. I hope that the minister will read these remarks in *Hansard* and that these ships will continue to be berthed in the port of Pictou.

• (7:20 p.m.)

Before I close, sir, perhaps I could recall to mind a song with twenty some verses concerning coal mining, one verse of which went something like this:

> Down in the coal mine underneath the ground,
> Little rays of sunshine never can be found.
> Little dusty diamonds shining all around,
> Down in the coal mine underneath the ground.

We members who came from that area— the minister himself comes from a coal mining area—know what this means. We must keep those little dusty diamonds shining all around.

Mr. Barnett: Mr. Chairman, I hope you will not be too hasty in calling me to order if I preface the few remarks I want to make by quoting a section from the Fisheries Act. Section 61 says, in part:

> Every person who causes or knowingly permits to pass into, or puts or knowingly permits to be put, lime, chemical substances or drugs, poisonous matter, dead or decaying fish, or remnants thereof, mill rubbish or sawdust or any other deleterious substance or thing, whether the same is of the like character to the substances named in this section or not, in any water frequented by fish, is liable, for the first offence, to a penalty of twenty five dollars and costs—

The section then goes on to provide that for second and third offences the penalties will be increased.

The reason I have quoted that section of the Fisheries Act is that as far I am aware that is the principle, and almost the only, piece of legislation in the federal sphere that deals directly with the question of the pollution of the water resources of our country. I have quoted it because there is a reaction, and a very understandable reaction, on the part of the people who find serious pollution at their doorsteps, immediately to say "There should be a law which stops this". Up to a point I think this is certainly true. However, I would agree with opinions which I know are held by other members of the house, that this is not the only and the complete solution to this question.

I am sorry that the minister who is to become the minister of energy and resources and who will take a particular interest in this matter in the future is not with us today, but

I am glad the minister who is taking his place for the time being happens to be the minister who has had the matter of water resources under his jurisdiction up till the present time, and is therefore familiar, not only in his capacity as minister but also, I am sure, in his capacity—to go back to a reference which was made a little earlier—as minister from British Columbia, with the importance not only of the question of the general use of our water resources, but also the question of conservation in the sense of avoiding the ever increasing pressure to pollute those resources.

When we were considering the estimates of the Department of Industry the other night, and there was considerable discussion about designated areas, I suggested that as far as some communities in Canada were concerned they should perhaps be designated as areas rapidly becoming unfit for human habitation, because of the level to which pollution of the water and also of the air was reaching.

I have been seeking some information about the activities in which the federal government has been engaging to deal with this question, in particular its activities in the field of research. The Minister of Industry, when I raised the question in respect of the activities of the National Research Council, said that he would inform himself and then inform me. Possibly the minister who is piloting these estimates through may be a little more immediately knowledgeable on this question, and if he has some information on this subject which he could briefly give the committee I for one would certainly welcome it while the subject matter of this department is before us.

I would draw to his attention, as I did to the attention of the Minister of Industry, the fact that I have on the order paper a question which was put there on February 9—perhaps that is not an undue length of time in view of the nature of the question—and which asks for specific information about what is being done by various departments or agencies of the federal government in the field of pollution control research.

I am not going to attempt at this time to launch into this question with the eloquence with which the hon. member for Timiskaming made his plea for development of the mining industry in northern Ontario. If the minister from the maritimes whom he named would ship some of his coal to the smelter in northern Ontario, then if they run out of iron ore perhaps I could send some iron ore from my constituency to the maritimes, this would provide a real example of national development and unity, and incidentally provide a lot of business for the railways. However that may not be the most feasible solution to that particular problem.

One other question I would specifically like the minister to answer relates to a forthcoming event of which I know he is fully aware. I refer to the conference to be held this fall in Montreal on the subject of pollution and our environment, under the sponsorship of the Canadian Council of Resource Ministers.

I have in my hand a pamphlet which indicates some of the details of the planning of this conference. It also indicates that a brochure is being prepared and distributed, outlining further details. This brochure is being distributed throughout Canada to interested governments, institutions, associations and individuals. Then it goes on to say that invitations to the conference will be extended by the federal and provincial governments.

One of the questions I should like to have answered is whether or not the government of Canada is going to extend such invitation to members of parliament who might be interested in participating in that conference. I find myself rather impatient, even though I recognize there are some complexities in planning this matter, at the fact that we are not any further along the way toward an effective dealing with the acute problems of pollution which exist in some areas, including at least two areas in my constituency which I could name, than to be thinking about a discussion or a study conference on the subject next fall.

Nevertheless, from what little reading I have done about the planning for this conference, I readily agree that there may be some quite worth-while things come out of it. I only hope that its results will reflect themselves very quickly in effective action both at the federal and at the provincial levels of government.

The bulletin to which I referred earlier contains this statement, made by the man who I believe is currently chairman of the Resource Ministers Council. He says:

> The continuing pollution of our water, of our air and of our soil rests upon our conscience. It is a problem to which every Canadian must turn his attention.

• (7:30 p.m.)

Mr. Chairman, this is a statement with which a great many of my constituents would agree. I do want to say, without further

prolonging my comments, that a good many of my constituents are becoming increasingly impatient with the continuance of the situation, and the conditions under which they have to live. Unless some effective action is forthcoming rather speedily following this conference, they are going to become even more impatient than they are at the present time.

Mr. Southam: Mr. Chairman, I realize that the committee wants to get on with the passing of these estimates, and I as a member of the official opposition on this side of the house have refrained from taking part in the debate so far. However, I should be remiss in my duty to my constituents if I did not direct a few remarks to the minister about the development of heavy water in Canada. Recently, when I directed this question to the Minister of Industry I was informed that it did not come under his purview. I feel justified in bringing the matter before the committee at this particular time.

Just to recall a few of the facts, hon. members may remember that this matter was introduced by the Minister of Industry one year ago last November, at which time he went through the process of explanation in the house. It was stated, and carried forward then, that a heavy water plant in Canada was nearing completion at Glace Bay, Nova Scotia. The minister announced that a market was available; that it was time Canada took steps to see that a second heavy water plant was developed. Tenders were called and, I believe on January 29, 1965, which was the deadline, four responsible companies made a bid. I think all members of the house will recall the excitement and anticipation engendered in certain areas that thought they might be affected by this development. There was much excitement and approval at Estevan as a result of that announcement. Estevan is in the province of Saskatchewan, and I make these remarks because of the importance of this subject to my riding.

Hon. members may recall that Estevan was selected as the site for the erection of this heavy water plant, as a result of a supplementary statement by the minister. Naturally as a result of the minister's statement that Estevan, Saskatchewan, was the site and Western Deuterium Limited of British Columbia, the successful bidder, the city immediately took steps to be prepared for this development.

Considerable sums of money were spent; facilities were built to accommodate the extra industrial and technical populace which would be coming in to develop this plant, which it was anticipated would take three years to complete, and which would have from 500 to 1,000 workmen working on it. The city aldermen and various other authorities took steps to improve facilities such as sewers, water, and the like.

Then it was realized, in July 1965 to the great consternation of the city of Estevan, that Western Deuterium Limited was not going on with the proposed plant. The authorities in the city were under the impression that a positive announcement had been made by the minister about the development, similar to that made with respect to the heavy water plant at Glace Bay.

It turned out that although Western Deuterium Limited had acted properly, there was nothing cut and dried. The whole scheme was just a proposal, and must have been a premature announcement on the part of the government. It was to be, in the first place, an announcement of policy. If that announcement had been cut and dried, and the contract to develop heavy water undertaken, things would have turned out differently. Naturally we are still very much interested in this. After that, when inquiries were made, we learned that Atomic Power Corporation of Calgary, the second lowest bidder, would be invited to take over the contract of Western Deuterium Limited. This also failed to carry through.

Then, the latest information was that Canadian General Electric of Peterborough were invited, some three months ago, to make a follow-up survey of the prospects of building a second heavy water plant, and of discussing as soon as possible where it should be constructed.

I have done my best to inquire into the determinations of this policy. A lot of money has been spent in my constituency, and there is still a vague shadow over the policy surrounding this proposed project.

I would ask the minister if he could advise this committee now as to what actually is the status of this heavy water plant, and when it is expected to have something finalized about it. I am sure that the people of Saskatchewan and the people of Estevan Point, Saskatchewan, are very much interested, as I think the government is. I hope we shall hear something definite before long, because the people

in my constituency and particularly Estevan have been put to a great deal of expenditure and have faced much uncertainty.

Mr. Muir (Cape Breton North and Victoria): I wonder if the minister from Nova Scotia is in a position to reply to the several questions that I posed to him?

Mr. MacEachen: Mr. Chairman, I am not sure whether I can answer all the questions which have been put to me by the hon. gentleman. However, before I attempt to answer any of them I think I should refer to a comment made by the hon. member for Timiskaming who wondered why a minister of national health and welfare is taking on the role of answering for the coal industry.

Mr. Starr: Do not start a fight; you want to get your estimates through?

Mr. MacEachen: Mr. Chairman, in so far as Nova Scotia is concerned, the Nova Scotian representative in the cabinet is usually held accountable in that province for whatever happens in any department of the federal government. It would be as unrealistic for a minister representing Nova Scotia in the cabinet to ignore coal as it would be for a minister representing Saskatchewan to ignore wheat.

Mr. Nielsen: Precisely.

An hon. Member: Which minister represents Saskatchewan?

Mr. MacEachen: It has been an accepted tradition in the past that the Nova Scotian minister involves himself very deeply in coal policy. That, of course, was characteristic of my immediate predecessors, the late Hon. George Nowlan and Hon. R. H. Winters. For that reason I have involved myself in this problem. Because of the request of the hon. gentleman opposite I have attempted, in the minister's absence, to give some answers.

I would say in reply to questions asked by the hon. member for Cape Breton North and Victoria with respect to the Coal Board, for example, that I would take as dim a view as he does of any liquidation of the Dominion Coal Board, in the existing circumstances. There has been no discussion and no decision, to my knowledge, with respect to any alteration in the traditional system of subventions. There has been no discussion or decision to abolish the tariff on United States coal. Policy decisions with respect to investments in the coal industry stand on their own feet. In other words, the government has made a decision with respect to investment in the Nova Scotia coal industry, and that decision stands.

• (7:40 p.m.)

One of the purposes of the development study is to provide assistance in determining implementation of the long term policy for the coal industry. It is clear to me from my study of the industry that there are various proposals, and various combinations of proposals which could be considered in respect to the expenditure of various amounts of capital. We are looking forward to the Donald report to provide assistance in reaching conclusions on some of these points.

The hon. member for Pictou talked about the independent mines. It is true that Dr. Donald is paying particular attention to the independent operators, one or two of whom are in my own constituency of Inverness-Richmond, Cape Breton West. Most of the industrial complex we have been discussing this afternoon is in the constituencies of the members for Cape Breton North and Cape Breton South. I hope the constituents of Pictou and Inverness-Richmond will also be beneficiaries of this policy which will, I trust, assist considerably the operations in those other two ridings.

These are all the answers I have at the moment to the questions asked by the hon. member for Cape Breton North and Victoria. I would conclude by saying that my reference to manpower had to do with the services of the department of manpower, which the government would want to use in its implementation of long term policy. The purpose of the whole exercise is of course to create and to maintain maximum employment opportunities in the Cape Breton area.

Mr. Muir (Cape Breton North and Victoria): I should like to make one or two brief comments. Am I to take it from the minister's reply that the provision of this assistance to the coal industry is not contingent upon the restriction of coal production to its present volume, or reducing it from the present annual figure? Would he give us an assurance, too, that this assistance is not contingent upon there being any reduction in the number of workers in the coal field, say from 6,000 to 4,500?

Mr. MacEachen: All I can say in reply to that question is that no decisions have been taken with respect to production levels or manpower requirement. Only when we have received the report of the Donald commission,

and then in consultation with the provincial government, the industry and labour would it be possible to reach any conclusions about these very important points. The effort is, of course, to maintain maximum employment. But no decisions have been made about those matters.

Mr. Muir (Cape Breton North and Victoria): One further question. The minister ended his statement by saying that pending the completion of a comprehensive review the government would provide substantial capital for immediate needs. Would he advise the committee what capital has been granted to the companies concerned, if any, and for what purposes? Has any money been provided during this interim period while the report is being awaited?

Mr. MacEachen: As I recollect, there was a particular coal mining machine which was under investigation for possible use in the industry. It was intended that capital should be available so that this machine could be used for testing purposes. I am not sure what capital, if any, has been spent on this project, but I will draw the attention of the minister to this question and get an answer.

Mr. Nasserden: I have only a few remarks to make at this time but I do not think I should let this opportunity pass without referring to what has been perhaps the most spectacular development in mining in Canada during the past year. I refer to the development of potash in the province of Saskatchewan.

Most of the latest developments in this field are within the boundaries of the constituency I have the honour to represent. We are looking forward to great things from this industry. As a province we have the welcome mat out for those industries which will be complementary to the potash development. The provincial government is anxious that such industries be established to make full use of the resources we have in this respect.

I should like to point out that there still remains a problem with respect to taxation of solution mining in Saskatchewan. I believe some steps have been taken in an effort to clear up this situation, but the difficulty has still not been settled to the satisfaction of the companies concerned. While this is possibly not of direct concern to the department of mines, it is one of the matters with which this government should be dealing.

I should like to compliment the Minister without Portfolio. It is pleasant to see a young man seeing these estimates through the house today. Of course, he is sitting beside the Minister of Northern Affairs and National Resources who is a favourite of mine, and if he follows in his footsteps he should do all right.

Mr. Southam: Could the minister answer the question I put to him a few minutes ago, before this item passes?

Mr. Turner: With the permission of the committee I intend to comment on a number of questions, taking them together.

Mr. MacInnis (Cape Breton South): It is interesting to note that nobody on the other side is aware that the estimates of Atomic Energy of Canada have already passed the committee under the guidance of the Minister of—

Some hon. Members: Finance.

Mr. MacInnis (Cape Breton South): Well, Finance—under the heading of Defence Production or whatever portfolio he is holding. This item has already been dealt with. Yet we have ministers who are willing to accept questions on matters which have already been passed by the committee.

Mr. Turner: As a matter of courtesy we listened to the hon. member for Moose Mountain, who had not been given an opportunity to ask the questions he wanted to ask on the other estimates.

Mr. MacInnis (Cape Breton South): But this is a government which is always talking about the importance of rules and procedures. Now they are not only willing to give an hon. member the opportunity to revert to ask questions on other items, but they are willing to revert to an entirely different set of estimates. I had asked the same question and when I got my answer I left it at that, fully realizing that whoever gave it to me did not know what he was talking about. I did not pursue it, simply because it emphasized the fact that a number of the statements which have been made in this committee about heavy water were in contradiction to statements made by other ministers.

To get back to the minister from Nova Scotia for the time being. I would ask him to enlarge upon his answer to the hon. member for Cape Breton North and Victoria with regard to a possibility of a reduction in coal production. The minister said in effect that no decision had been taken. I hope it is not

correct to gather from that answer that somebody within government circles is leaving the impression that a reduction in the production of Cape Breton coal should come about.

• (7:50 p.m.)

I fully recognize the danger which was pointed out some time ago by a former parliamentary secretary to the Prime Minister, when he was talking about a cut-back and about subventions. I recognize there is a danger in even discussing this matter, although it may be connected with the recommendations of the Rand report, a report which in my opinion is full of contradictions. At one point it talks about the potential of the Cape Breton coal industry, while the next minute it refers to a cut-back in production. This is contrary to the expressed opinions of the Dominion Coal Board. According to the latest of the annual reports in recent years, a distinct upturn in demand for coal is in progress. I would ask the minister to keep that in mind and not allow those who want to discuss a cut-back in respect of Cape Breton coal to get off the ground. I would ask him to explain the circumstances surrounding the decision of the federal government to convert the central heating plant from coal to gas. This has cost the coal producers a loss of about 18 thousand tons of coal a year. Would the minister also explain why this decision was announced by an official of the gas company at the same time the minister was discussing ways and means to assist the coal industy. Last September, from his own department in the Jackson Building, 300 people had to go home because there was no heating for their offices. This also has caused a great deal of discomfort in the offices of the House of Commons here in winter. I could get support in this regard from members on the minister's own side of the house who have complained about the heating since the conversion took place.

The late Hon. George Nowlan, during his period of office from 1957 to 1962, met many delegations representing the clergy, municipalities, and other people speaking on behalf of the coal industry. I would ask the minister why it is that since this government took office no such meetings have been convened in Ottawa? Why is the minister not meeting the situation in Cape Breton or Nova Scotia today with the same approach that was taken by the late Hon. George Nowlan in dealing with these questions? I think it is interesting to note that no such meetings have been held since the government changed.

I would also ask the minister what a long range program has to do with the opening of a new mine at Lingan? This is something which is short term and which should take place immediately to provide for the 1,100 men who were laid off in January. The company is prepared to go ahead with this immediately, provided the government makes available that portion referred to specifically by the minister, the $10 million, to open that new mine.

This is not a long range program. The minister has made the statement that this mine could be in operation in two or three years. I have no objection to a government's taking precautions to ensure, when any money is spent by an industry or a company in respect of mechanization or a new opening, that some person is there as a watchdog of the federal government to see that every cent is used out of every dollar of federal money put there. There are persons who are available to the federal government, and I might mention in particular Mr. Alec Brown of the Coal Board, a most competent man, who could be the necessary watchdog. I do not wish to connect the term watchdog with Mr. Brown, but I am sure he would be capable of ensuring that the expenditures made by the government to open a new colliery at Lingan immediately would be very well taken care of. In this respect the government would not have to set up some commission and bring in somebody else to ensure that their money was well spent.

This is not a long term plan. The minister himself refers to getting into production in two or three years. He may have exaggerated the number of people who may be working there and may also have exaggerated in respect of when they hoped to get into full production. Nevertheless that requirement is there, and he also has assurance from the Dominion Coal Board that markets can be found for the expected production. There is absolutely no reason that we should wait for the Donald report in order to make available that $10 million to start the new mine at Lingan.

I would hope the minister would take this into consideration and disregard the statements made by others in respect of what is required there. I am sure the minister can recall the statement he made about this, and statements made by the leader of the Liberal

party in Nova Scotia today; you remember the Liberal leader, the former member for Halifax.

An hon. Member: He has gone to the Senate.

Mr. MacInnis (Cape Breton South): No; the childish member. These are not my words. The former speaker referred to him as the childish member, and he is still acting childish. The leader of the Liberal party in Nova Scotia wanted to come up and meet with the minister, but the minister said there was no need for Mr. Regan to come to Ottawa. The opening of the new mine at Lingan is not something which is long term. It has absolutely no bearing on the Donald report. I would like the minister to make available at once the $10 million required for the new opening, and I would ask him to point out, if he can, whether any provisions are made for the advancing of this money, in the estimates or anywhere else?

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, when the minister replies, would he give us his view in respect of the suggestion I made earlier this afternoon to the effect that the services of the former coal board chairman—or the almost former chairman in a day or so I understand—be retained by the board, because I am sure his knowledge and experience in the coal industry is certainly valuable to all of us in Nova Scotia and to the rest of Canada.

I also would like to have the minister's view on the suggestion I made earlier this afternoon with regard to the statement I made when we were dealing with the $25 million grant, when I pointed out that the government should have a representative, as it were—and this also has been suggested since by the member for Cape Breton South—sitting on the board of the Dominion Steel and Coal Company, if they are the people who will get these millions. I would like to have the minister's view on that also.

Mr. MacEachen: Mr. Chairman, I hope, so far as I am concerned, that this is a wrap-up with regard to the coal industry. I share the high regard that the hon. members for Cape Breton North and Victoria and Cape Breton South have expressed for the retiring chairman of the Dominion Coal Board. It seems to me to be a good idea that his services be made available on a consultative or continuing basis. I share also the high regard expressed for the technical officer of the board, Mr. Brown, whose services are valuable and essential to the efficient operation of the board. These comments certainly will be kept in mind by the government.

• (8:00 p.m.)

On the matter of production levels of the Nova Scotia coal industry, hon. members will recall that an understanding, to put it in its weakest terms, was reached in the days of the former government that subvention assistance for the coal industry would be maintained at or around the four million production level. That policy has been continued. This government has not departed from the subvention policy and the understood production levels that had been accepted as realistic by the former government. No decision has been taken to depart from that policy, and I certainly will keep in mind the comments made on this point by the hon. member for Cape Breton South.

The shift from coal to gas in one of the government buildings was a matter of discussion among myself, the government and the minister of mines of Nova Scotia. The Minister of Public Works and I discussed and considered this. I have not had an opportunity to refresh my memory as to details, but at any rate the level of production involved, though important, was not great, and because of other reasons, in accord with established fuel policy within the department, this switch was made.

Having regard to the matter of delegations, the premier, for example, has not requested a meeting with the government regarding the coal industry, and normally he has led these delegations to Ottawa. If he did make a request I am sure that we would be quite glad to meet with him and any other person who might be part of his delegation. It is true that the president of the United Mine Workers has requested a meeting with the government at an early date, and it is my expectation that as a first step the Minister of Mines and Technical Surveys and I will be in a position to meet with interested parties next week to exchange views.

I do agree, as I have indicated, with the comments made by the hon. member for Cape Breton South regarding the Lingan opening. The rationale for the opening of the new mine, is, of course, to provide a reduction in the production per-ton cost of coal and to give a sweetening effect, in the economic sense, to the total output of the industry. In that way the production and the new opening

at Lingan is related to the total production of the industry itself. I have had in mind, and have had discussions on, the question whether it would be possible and realistic to consider a decision about Lingan itself before the elaboration of our total policy in the coal industry, and in that sense I appreciate the remarks of my hon. friend, the member for Cape Breton South.

Mr. Muir (Cape Breton North and Victoria): I should like to ask the minister whether it is correct that the executive officials of district 26 of the United Mine Workers of America have asked for a meeting with the government?

Mr. MacEachen: Yes.

Mr. Muir (Cape Breton North and Victoria): What are the minister's views with reference to the possibility of having someone from the government on the board of any company that is going to deal with these millions of dollars?

Mr. MacEachen: That would be a matter for the government as a whole to decide, but I certainly share the view of the hon. member that if public funds are to be made available the government ought to set up a mechanism to ensure that the funds are spent for the purposes intended and in the most efficient way. I am sure that, whatever arrangements are made, ultimately this will have to be done, and it may be that the suggestion of my hon. friend will receive consideration. This is a matter for the government to decide. While there has been consideration, no decision has been taken.

Mr. Turner: Mr. Chairman, may I say first of all that the Minister of Northern Affairs and National Resources and I, along with the Minister of National Health and Welfare, appreciate the courtesy of the committee in allowing us to defend and pilot these estimates in the absence of the Minister of Mines and Technical Surveys.

I should like to make a few brief comments relating to the remarks of hon. members opposite this afternoon and evening. First of all I should like to say that we listened with great interest to the contribution made by the hon. member for Kamloops. We do not disagree with much of what he said. We believe that Canada's future depends on what type of national resources policy we have in Canada, and that Canadian identity is closely linked to that resources policy. I am sure the hon. member knows that the minister of northern affairs and I are on record in respect of this subject.

We believe in a national resources policy. We believe in a co-ordinated policy between federal and provincial governments for the development and management of our water, our soil, our air and our minerals. We believe that this national policy must be achieved in co-operation with the provinces, but by way of a national catalyst or initiative—by federal co-ordination with the provinces on policies achieved on a national basis.

We believe also, Mr. Chairman, that the growth of Canada depends on development on a national basis of our natural and renewable resources. Although I will deal with this more specifically, I want to say to the hon. member for Timiskaming that in our vocabulary, this growth must be developed profitably for all Canadians in Canada. This is true of everything that we have on and under the ground and in the water. We believe that the development of a national resources policy includes as a corollary a resources policy for all of Canada and particularly for the northern areas of the country.

Mr. Caouette: It is possible.

[*Translation*]

Mr. Turner: I admit that and I shall discuss later the particular problem of the member for Villeneuve.

[*English*]

I suggest that we need national co-ordination of various provincial policies. We need research into what we are doing because facts must precede policy. We believe that an inventory, as mentioned by the hon. member for Kamloops and others, is absolutely a prerequisite to such a policy. We need at the same time to develop a cost benefit ratio for the development of these resources and to set priorities, if necessary, on a national scale as to the resources we can profitably bring into production in series.

I should like to list the steps of what we conceive to be a national resources policy for this country. First of all we have to make an inventory of these resources. There are already programs in this country for the setting up or establishment of a Canadian land inventory. I feel we also have to proceed with an evaluation of our water resources and needs. We must analyse the quality of the air above us, and the hon. member for Comox-Alberni made special reference to that. So we are talking in terms of an inventory of our

forests, lands, recreation fisheries and wildlife and, particularly within the text of this department, our mineral resources.

After having made that inventory we conceive that Canada must have co-ordinated management of those resources, and that the federal government must achieve through the national council of resource ministers some standardization of inventory and management, as well as some recognition of the amount of budgetary support that each province will have to devote to the development of any particular resource.

Once the inventory and co-ordinated management policy have been worked out with the provinces, we believe that priorities related to production ought to be established between those resources and various areas so that the development of these resources can follow. We believe this should be linked with a policy directed toward increasing the processing of these resources in Canada. We believe also that a deliberate national development of resources depends on certain ancillary policies, and that we must co-ordinate our tariff policies so the whole range and purpose becomes consistent with what we are trying to achieve.

• (8:10 p.m.)

Taxation must reflect this policy as well, and tax abatement and accelerated tax depreciation must be co-ordinated with the development of those resources. Fiscal and monetary policy can also be used to the same effect, as can transportation policy, whereby the government of Canada provides access to markets and access to development by road, rail, water and air. In this connection, Mr. Chairman, I want to recognize the tremendous results of the Roads to Resources policy initiated by the previous administration. In other words, resource development in our vocabulary means growth, and growth means manufacturing complexes within Canada, bringing employment and people with them.

Turning to another point raised by the hon. member for Kamloops, with which we disagree, he pointed out that to his mind the setting aside of the resource development north of the 60th parallel and leaving it with the Minister of Northern Affairs and National Resources lacked consistency, because if Canada were to have a co-ordinated national resource policy the resources of the north should be brought under the jurisdiction of the new minister of energy, mines and resources. I suppose we might discuss with profit on some other occasion the difference between the policy of the management of those resources and their administration. But I would say to the hon. member that to our mind northern development that is development in the Northwest Territories and the Yukon, needs to be under the jurisdiction of the same administrative authority responsible for the development of the resources which should go along hand in hand with the economic and indeed the political development of that region of Canada.

In order to develop the north, the Minister of Northern Affairs and National Resources would need to have under his jurisdiction the resources of the north. We intend therefore to leave—

Mr. Fulton: That is not what the minister's colleague said this afternoon. But let us not get into a debate on that matter now.

Mr. Turner: I think the minister would agree that he and I have had as intimate a chat on the subject as the hon. member for Kamloops and the hon. member for Yukon, who I noticed were in earnest discussion on this subject. I think we could reach agreement on it quite easily. In any event, we want to leave the Territories with their resources for the future political and economic development of that region.

The hon. member for Kamloops referred to the Nelson River development and put some questions in that respect. Because of the detailed answer required, with the permission of the hon. member I will bring to the attention of the Minister of Mines and Technical Surveys his contribution as it appears in *Hansard* and hope that when the minister's estimates for 1966-67 are before the committee he will deal with this matter. I wish to thank the hon. member for giving notice in this respect.

On the question of pollution, Mr. Chairman, I can provide the hon. member for Comox-Alberni with all the information he needs with respect to the conference in Montreal entitled "Pollution in Our Environment" which will be held in October and November of this year. I will put to the Minister of Mines and Technical Surveys the suggestion that perhaps members of parliament with a particular interest in the subject should receive invitations.

I am limited in time but I would not want to neglect the hon. member for Kootenay West. I think he knows where this government stands in terms of a national water

policy. In any event, he knows the position of the ministers sitting here since we have continually kept him on our mailing list and have enjoyed the correspondence we have received from him in reply.

Mr. Herridge: I appreciate it.

[*Translation*]

Mr. Turner: With regard to the remarks made by the hon. member for Villeneuve (Mr. Caouette), I shall call the attention of the minister concerned to the gold mine problem in his riding. I realize it is very important for the region he represents, and when the estimates for 1966-67 are introduced by the minister himself, I think he will discuss this particular problem more specifically.

[*English*]

The same would apply to the hon. member for Timmins and the hon. member for Timiskaming with regard to special provisions relating to the Emergency Gold Mining Assistance Act. If these hon. members would allow me to draw this matter to the attention of the minister, he will deal with it in detail when his estimates for 1966-67 come before the committee, shortly.

Mr. Martin (Timmins): Mr. Chairman, would the minister permit a question?

Mr. Turner: Yes.

Mr. Martin (Timmins): I appreciate the position the minister is in but I should like him to realize that 250 families in Timmins have only until the end of this month to wait for the minister's 1966 estimates. We had to wait a year and a half for the 1965 estimates to come before us, so it is not a very encouraging picture for these 250 families.

Mr. Turner: Mr. Chairman, we hope the estimates will be referred to the committee next week. In any event, I shall ask the minister on his return to get in touch with the member on this particular subject.

Some hon. Members: Carried.

Mr. Turner: Other hon. members raised questions, Mr. Chairman, but I see there is the unanimous opinion that I should sit down.

Mr. Herridge: Mr. Chairman, I have just one question to ask the minister. In concluding my very brief remarks I asked whether the minister would table the report of December 31, 1965, of the permanent engineering board.

Mr. Turner: Mr. Chairman, we will table it tomorrow when Mr. Speaker is in the chair.

[Mr. Turner.]

Mr. Herridge: Splendid.

Item ageed to.

Research in astronomy and geophysics—

55. Construction or acquisition of buildings, works, land and equipment, $1,749,000.

Mr. Fulton: On vote 55, Mr. Chairman, I wonder whether the minister could say a word with regard to the timetable of the aeromagnetic survey. Is that survey reasonably well up to schedule or does something more have to be done in order that the survey may be completed in accord with the planned schedule?

Mr. Turner: Mr. Chairman, my understanding is that it is progressing well, but I will see that a direct answer is given to the hon. member.

Item agreed to.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

Administration and general—

1. Departmental administration including a contribution to the Canadian Council of Resources Ministers in an amount equal to one half the aggregate contribution of the provinces but not exceeding $55,000 and $145,000 for grants for northern research and for northern scientific research expeditions, $1,817,000.

• (8:20 p.m.)

Mr. Dinsdale: With the spirit of co-operation that prevails in this chamber tonight, I think we can safely conclude we will be able to complete the consideration of the estimates of the Department of Northern Affairs by the time we are ready to rise at the normal hour at ten o'clock. I think I should point out that the members of the opposition, in co-operating in this fashion, do not want in any respect to neglect a thoroughgoing discussion of the Department of Northern Affairs and National Resources, as it used to be. We are co-operating because of our desire to help out the government which, as a result of its own maladministration, has boxed itself into this unfortunate position. We are also co-operating because we are so far behind in the schedule for the consideration of the 1965-66 estimates. We realize, however, that it will be only a comparatively short time before we will have an opportunity for a thoroughgoing discussion on the reorganized Department of Northern Affairs and National Resources.

This department has had a rather checkered career since it was first inaugurated in 1952. When I was the minister responsible for

it there were many interesting facets of operation and administration that were not directly concerned with northern affairs or even resources, as such. It had come out of the old department of resources and now, if all goes well in the reorganization contemplated, a good part of the administrative responsibilities of northern affairs will return to the new department of resources. I believe without prejudice we can say that many of the functions that came out of the old department of resources are returning to the new department of resources in a considerably enhanced state. I was pleased to hear the Minister without Portfolio in his brief enunciation of the schemes and programs contemplated to achieve a co-ordinated national resource policy indicate that they stemmed from the blueprint that was laid down by the former administration.

My colleague the hon. member for Kamloops has dealt with, and I feel adequately, the problems of resource developments as they refer to power and water resources. These policies again were laid down with considerable care and detail by the former administration. There has been a slowing down of the forward momentum during the past two years and I hope that with the reorganization contemplated the pace will step up once again.

I would just like to repeat for the sake of brevity tonight the three fundamental points that emerged out of the Resources for Tomorrow conference in 1961 and which were laid down by the then Prime Minister, the right hon. member for Prince Albert, when he recommended the establishment of a national resource council, the establishment of a national advisory land and water use coordinating board and the convening of periodic conferences in the field of resource management. We have the Resource Ministers Council functioning as an organization. Unfortunately there have been difficulties because of frequent personnel changes among the staff of the secretariat. I do hope, in the interests of continuity and in the interests of co-ordination, that we will be able to gather together a permanent secretariat of the highest possible qualifications who can get on with the job of assisting in the task of wise management and the multiple use of Canada's resources.

However, nothing has been done with respect to the National Advisory Council of Water Resources. This was regarded as a fundamental necessity in 1961. The need has become more urgent in the intervening five years and the problem now, is recognized by all concerned as having long passed the point of no return. I remember some two years ago when this party moved an amendment to the motion to go into supply which recommended the establishment of an advisory co-ordinating committee of water resources, that several members from various parts of the house, as well as the press, yawned in boredom because they believed that the subject of conversation of water resources as a topic for a supply amendment was moving into an area in which there was a complete lack of necessity for discussion. This was only two years ago; but since that time we have had views from many groups in the country urging immediate action to get a national perspective on the management of our water resources.

I trust that under the new reorganization contemplated, Mr. Chairman, this point No. 2, which I think was just as important as and which indeed springs out of the establishment of the National Resource Ministers Council, will be given primary consideration. Indeed it is unfortunate that the National Resource Ministers Council itself has not come to grips with the establishment of such a national advisory committee on the management of our water resources. That is all I intend to say on this subject at this time.

• (8:30 p.m.)

The third point is of course being carried out in the pollution conference which will be held in Montreal under quite similar circumstances to the original conference in 1961. This is the first convening of a conference dealing with specific areas of renewable resources since 1961. It is a five-year interval and I hope in the future we will be able to move at a much more rapid pace.

Now coming specifically to northern affairs, I am going to cut down my remarks and deal with only two aspects of current responsibility. As in the past, when we had responsibility for administration, we carried out policies on an organized and co-ordinated basis. I am therefore going to call upon my colleague from the Yukon Territory who will deal with some of the specifics of northern administration. I am sure we all agree there is no one in the house more competent or qualified to speak on this subject, and certainly no one in this chamber who has made a greater contribution to bringing the needs and problems of the north

to the attention of this house as well as to the attention of the people of Canada as a whole.

I shall depend on my hon. friend from Jasper-Edson to deal with the current problems through which parks are passing.

There is another matter I should like to bring to the attention of the minister of northern affairs which I feel indicates shortsightedness and that lack of the vision which is necessary if the program of northern development that was launched with such great enthusiasm in 1957 is to contine to move forward.

I refer to the decision to change the location of the new administrative headquarters for the department of northern affairs. At the time we left office the decision had been made to add the new northern affairs building to the interesting complex that had been developing in that section of the city of Ottawa known as Confederation Heights. It seemed entirely fitting to me as the minister responsible that the department which had to do with the development of Canada's last frontier should occupy an important and prominent position among the complex of buildings at Confederation Heights. As the current minister knows, plans were finalized and completed to proceed with the construction of a building that would not only be useful and functional but also symbolic of the fact that Canada is a northern nation with a northern heritage and a northern destiny.

We wondered why the delay in proceeding with this particular project. The story has now become available in the current report of the Auditor General, which indicates that the minister made the decision to continue the location of the northern affairs headquarters in the heart of the nation's capital on the ground that our administrative facilities were becoming too widely scattered; that everything should be crowded into the downtown area. This seems to me to be entirely the antithesis of the thinking of a department which concerns itself with the development of the last frontier, the wide open spaces, the million and a half square miles of area which makes up the Northwest Territories and the Yukon territory.

I have been continually amazed since I came to Ottawa as a member of parliament in the early fifties to understand why those who are responsible for the planning of the nation's capital have such a myopic and narrow perspective of architectural development and city planning prospects. It seems that unless everything is crowded within a few blocks of Parliament Hill, then we have not got the proper planning perspective.

In visiting other capitals, for example the capital of our neighbour to the south, the attractive feature of the city of Washington in the District of Columbia is the wide open thoroughfares and spaces which have been made possible by deliberate planning in consonance with the broad developmental viewpoint of the United States administration.

It is a retrograde and a backward step to reverse the decision to locate northern affairs in what was regarded as the most strategic location site of Confederation Heights. Overlooking the R.A. Centre and facing towards the north, what could be more symbolic of the new forward step in the nation's thinking and planning? The change was made at considerable expense to the public treasury, as the Auditor General pointed out. The architects' fees had already been paid and the plan had to be scrapped. As I recall, some $200,000 went down the drain.

The new building is not owned, it is rented. It is the Campeau Confederation Towers. It borrows the name from Confederation Heights but has the confederation symbolism in name only because it certainly does not carry the architectural and planning motif that is present in the Confederation Heights development. I understand the buildings are rented, according to the Auditor General's report, at an annual rental of $688,000, almost double the rental formerly paid for northern affairs facilities in Ottawa.

Even though the responsibilities of northern affairs have diminished substantially, with museums departing, with resources departing, with water resources departing, with tourism departing, as well as other areas of responsibility, the cost of rental has doubled.

Mr. Turner: There is the Indian affairs addition.

Mr. Dinsdale: Yes, there is the addition of Indian affairs. Whether that makes up for the diminished responsibilities I am not in a position to say.

To sum it up, we find that over the leased period provided for it will cost the government and the people of Canada almost $14 million, which is considerably more than the cost of the original building, which had been so carefully planned. This expenditure of nearly $14 million results, of course, in no tangible asset by way of public buildings around the city of Ottawa.

I know that the decision has been made and that the move has been made. But I suggest to the minister that he might well review and consider the original plan for the new building, and when the five-year period has expired—I believe the lease is for five years, renewable for ten—he might then reconsider the prospects of reverting to what I felt was an excellent plan in harmony with the functions of the department of northern affairs. Of course, it may well be that there will be another administration in office within five years making this decision, and we will certainly have no hestitation as to what would be the decision in this regard.

There are one or two further brief matters. As I have already intimated, my hon. friend from Jasper-Edson will be dealing in some detail with parks. However, I repeat once again what should be entirely obvious to everybody concerned in these matters, namely that there is a great and urgent need for expanding Canada's park facilities. The pressure on our national parks is reaching beyond the point of endurance, month after month, year after year, yet no dynamic steps are being taken to deal with the urgent demands of an age of leisure as well as the growing economic demands of a rapidly expanding tourist industry.

As I have told the minister and his colleagues in the government times beyond number, it is high time we got cracking, to use a good air force phrase, on a recreational parks development program, something which was in the works when the government changed but on which no specific action has been taken.

• (8:40 p.m.)

I notice the National and Provincial Parks Association in the current edition of their excellent magazine, put forward a program of their own, which they call the Recreational Parks Development Program. They say it is an entirely new idea. With respect, it is not a new idea. They talk about it as a national recreational reserves development program. Now that we have the support of that group primarily concerned with the development of our park resources, I trust that we will at long last have the ear of the administration.

I want to ask questions now about historic parks. A program was launched, in 1961, to ensure that there would be a major historic park development in each of the provinces and the territories to make sure that parks would be available for the influx of visitors during our centennial year.

We are hearing how much Expo '67 will cost. How much is it now? It goes up day by day. An hon. member tells me that the cost will be $84 million. What will visitors coming to Canada to take part in the celebration of 1967 do, after they have seen the great centennial world fair? They are going to spread out across the rest of Canada, we hope. I should like to remind the administration that we have got to present other aspects of Canadian history than will be presented at Expo '67 at such tremendous cost.

The program of developing historic sites extended, from Signal Hill in Newfoundland, Louisburg in Nova Scotia, right up to the old gold rush city, in Dawson City. Dawson City was declared an historic complex. No doubt there will be a tremendous influx of visitors into Dawson City next year.

Through the writings of Robert Service, and the writings of other famous authors such as Jack London, perhaps one of the best known sites in Canada is old Dawson City. I trust that the minister, who I understand is still responsible for these matters, will be moving forward to ensure that in each province we have a major development ready to receive the visitors. I hesitate in mentioning the keystone province, Manitoba, because I might be regarded as prejudiced in this regard.

However, I hope that Fort Garry is proceeding on target. Something that would make historic sites interesting, I think, is animation. We had planned that these historic sites would be animated much along the same lines as Fort Henry which has become one of the great tourist attractions in the province of Ontario, a tourist attraction which has been developed by the government of Ontario. I trust that the same sort of animation will be implemented in each of the major centres in each of the provinces.

I do not think I need take more time of the committee at this stage. I will pass the torch to my colleagues, as I have intimated. However, I did notice the minister in recent weeks and months has been making regular announcements about roads, airports, railways and so forth. I want to congratulate him on carrying the torch that was ignited by the former administration. As I look at the roads policy, announced I think during the last election compaign, and as it is presented in the current issue of the magazine *North*, it seems to me that I have travelled those roads before. It seems to me a regurgitation of the northern development roads policy laid down

by the hon. member for Qu'Appelle, and reinforced by myself when I became minister. I see no new roads indicated in the development program, as it is outlined in the magazine *North*. The airport construction program especially has a familiar ring.

We are flattered by your acceptance of our programs and policies. We wish you would only get on with them with the same expedition and enthusiasm that was applied during those wonderful years of 1957 to 1963.

Mr. Horner (Jasper-Edson): Mr. Chairman, I want this evening to talk about national parks. I wish to take some time to point out that 58 per cent of the land area of the national parks of Canada is in the province of Alberta. I want to take some time because, as I mentioned in the Throne Speech debate, some 7,000 people living in the national parks in Alberta are second class citizens and do not have the rights enjoyed by the people in other parts of Canada.

For the past seven or eight months there has been a continuing fight between the minister and the people residing in the parks. On January 18, shortly after this session opened, I asked him whether he was ready to set up a committee of inquiry to study this problem, and he answered at that time as reported at page 26 of *Hansard*:

> Mr. Speaker, we have had a continuing series of discussions with the people living in our national parks and have arrived at certain understandings. I cannot accept for one minute the statement made by the hon. gentleman in his question that there is great consternation in those areas.

He goes on to say:

> I am stating the facts, and I am in touch with the people living in those parks.

This prompted the people in Jasper Park to send a telegram to the minister, which reads as follows:

> The following is a copy wire sent to Honourable Arthur Laing this date. "Your statement appearing in January 19th *Hansard* regarding situation with respect to residents of Banff and Jasper Park is generally misleading because first, great consternation and uncertainty still exists among the people residing in these parks and second we are definitely out of touch with you since our last meeting took place in Jasper on September 12th 1965 without any understanding being reached".

That is the end of the telegram. There is not any understanding. There is great consternation. Both the minister and the Prime Minister in the recent election campaign assured these people that they would be given a fair hearing. I want to suggest to the minister at the outset that in view of the fact he is going to bring in national parks legislation, he give immediate consideration to setting up a joint committee of this house and the other place to study the question of a national parks policy. I am not alone in my concern, because hon. members from Bow River, Lethbridge and Macleod are also concerned about this. It is not just our concern, it is the concern of the province of Alberta. We had something to do with getting people living in the parks to approach the premier of Alberta, to request his support in this regard.

I am sure that the minister has recently received a copy of a brief from the minister of industry of the Alberta government. I want to quote extensively from this brief because, Mr. Chairman, it is excellent. It is a brief that I hope the minister will read carefully and will take into consideration. It reads as follows:

> The thesis of this report is that National Parks Policy is unfair to the citizens of Alberta and of serious detriment to the third largest industry in the province—tourism. This conclusion applies to both the written policy and the administration of the policy by the federal department in charge.

I shall have something more to say about the administration. The brief goes on to say:

> The people of Alberta are equally concerned about the contravention of citizens' rights implicit in the new policy as it affects leaseholders in the National Parks in Alberta. The legal and moral aspects of this problem have already been the subject of an urgent letter from Premier Manning to the Prime Minister, and they are dealt with in greater detail in an accompanying brief.

• (8:50 p.m.)

I want to say something with regard to the letter from the Premier of Alberta to the Prime Minister, and the Prime Minister's reply. The Prime Minister's reply showed that the right hon. gentleman is not aware of the situation. This is a continuing operation of the senior civil servants in the minister's department—a fog thrown over the facts to try to hide behind the great conservation wave, away from the basic issue. The basic issue is the question of the townsites in these parks, the question of these people who have been invited into the parks in earlier days being allowed to live in them like Canadians, with a full concept of what is meant by the national parks as their guide. We think the minister has not allowed them a fair hearing. I believe he has been taken in by the senior civil servants in his department, who have for a number of years tried to turn themselves into the commission. They do not believe there should be townsites in the national parks. They are so unaware of the

situation in Alberta that they do not appreciate the distances involved.

They have no idea about service centres in an area such as Jasper, which is 230 miles from Edmonton. They have no idea how to look after the increasing numbers of people who have come to these parts since the development of better roads. Their thinking with regard to the proper development of these parks is at cross purposes. When this party formed the government we brought out a policy of zoning, providing for wilderness, recreation and service areas. We must have zoning of this type in Jasper, Banff and Waterton.

The conservationists tell us: The wilderness will be spoiled. They say we are going to turn the parks into a Coney Island. Nonsense. Immediately we criticize the administration of the national parks we are called Coney Islanders. They have gone so far as to solicit support from the press by giving them biased material on which to write articles. They have done this, apparently, with the approval of the minister. I prefer to believe, as a westerner, that he has been taken in.

There is a better way to run our mountain national parks. And, let me say, there is no similarity whatsoever between the running of national parks such as we have in Alberta, particularly the Rocky Mountain parks, and national parks in the rest of Canada. There is no similarity at all. The National Parks Act says these areas should be set aside for the benefit and enjoyment of Canadians. What does "enjoyment" mean according to these people in the department? It means the enjoyment of nature. We need a public inquiry with regard to the interpretation of this word because the present interpretation is not the right one. I want to quote something in this regard, later, from the brief of the Alberta government. To suggest that the enjoyment of our national parks is only to enjoy nature, is nonsense according to the normal and commonsense interpretation of the word and, I am sure, according to the interpretation which was in the minds of those who established this legislation back in 1930. Their interpretation would mean, I suggest, that we could have recreational facilities within these parks.

In our mountain national parks we have more than half the entire area of Switzerland. In Switzerland they have all these mountain resorts, five or six major towns and between five million and six million people. We have 7,000 people living in the cities in the centres of these parks, taking up one per cent of the available area. We have roads leading to only about 5 per cent of the area of these parks. Are we going to desecrate the wilderness if a program of the type advocated by some of us on this side of the house is adopted? The Parks and Recreation Association of Canada, which has supported the attitude taken by the department on occasions, has now come round to our way of thinking and suggested that part of these parks be turned into recreational reserves within the parks system. What is this if it is not zoning for recreational purposes? How far is this away from zoning for service centres?

Reference has been made to congestion in the parks. I can give the minister the whole picture. The idea that in a 4,000 square mile park where you have at the most 100 acres taken out for a townsite there is any real likelihood of spoiling the wilderness, or that you cannot have proper regulations for the development of these towns, is an absurd one. I know the parks department officials would like to see these towns moved out altogether. They fail to appreciate that Banff and Jasper were there before the parks were set up. Jasper was a railroad town, and it still is. Jasper is as concerned about keeping the concept of the national parks as are the people in the department. But the people who live in Jasper are democratic Canadians and they feel they can do a better job than the civil service can.

It comes down to the question of the townsites and how they are to be administered. The feeling became so bad in Banff that the advisory council, which is an elected body, would not talk to the minister. I could read into the record verbatim reports of that meeting; it is not of any credit to the minister. These people deserve representative government and the right to the self-determination of their local problems within their townsites without having to come to Ottawa about every minor decision. This is only just.

What about leaseholding? The minister suddenly wants to change the system of leaseholding and prevent families concerned from building up estates within the national parks. He is going to turn our buildings into sheds or temporary structures which will last just the length of the lease, and then revert to the government. He knows that many of the services which have been provided have been supplied by family concerns, and he intends to get these people out. The parks department seems to think that everybody in

Canada wants to live in the mountain parks. They will not even allow anyone who has moved out of a park for six months to be buried there. This kind of thinking is archaic. It cannot be understood by reasonable people and it is contrary to common sense.

I suggest the minister should give consideration to these points. I want to call attention to what Hon. A. R. Patrick had to say last Friday in the Alberta legislature with regard to the policies of this government:

> Calling the policies "unfair to the citizens and of serious detriment to Alberta's tourist industry," they can only result in "poor construction, drab facilities and higher prices for visitors," he said.

• (9:00 p.m.)

The minister steadfastly has refused even to listen to the delegations which have come to him from Banff, Jasper and Waterton. He has convinced the Prime Minister to send this letter to the Premier saying in part—and I quote from the Prime Minister's letter to the Premier:

> From this point of view I would certainly be disturbed if even the legal exercise of governmental powers resulted in the serious disturbance of any present leaseholder of park lands in his occupation of these lands or caused significant damage to the operator of any legitimate business enterprise in the parks.

What about these people who will lose their businesses, because the government has taken them over? Has this not already caused some disturbance in our national parks, and yet the Prime Minister writes that letter to our Premier. He goes on to say:

> In the case of residential leaseholders they are assured of continuity of tenure for at least another 42 years with compensation at fair market value—

This was obtained only after representation was made to the minister. Additionally in this letter he says:

> In short, there seems to be no evidence that the substitution of a term of at least 42 years from the present time in lieu of the so-called perpetual renewal clauses has had any significant effect on the present day worth of the leasehold interests concerned.

Now, if anybody is going to be asked to swallow that, it is absolute nonsense, because all property in the national park has depreciated at least 20 per cent since the minister announced his policy. He knows that as also do the people in his department. The Prime Minister went on:

> I do not believe there is anything in this government's policy which will prevent a continuation of the rapid growth in public use of these areas experienced in recent years.

[Mr. Horner (Jasper-Edson).]

That is absolutely false. The situation in Banff, Jasper and Waterton is at the stage where there is not sufficient accommodation for the people who go there in the summer time to service our tourists. No new lots have been made available in Banff in years. We finally have had some made available at Jasper, but there is a crying need for more accommodation in the town of Jasper; there is a crying need for land for churches and service club buildings, which it has been very difficult to get out of the department. I could go on and give examples of applications which took years to be processed through that archaic department which the minister has the honour to head.

The Prime Minister went on to say:

> I can assure you that policy of this government is to depend to the greatest extent possible on the private sector of the economy to establish and operate the commercial aspects of park operations.

How are you going to get private enterprise to go in there? The park and departmental officials do not want private enterprise to go in. The senior officials of the department would like to own everything in there, and have so admitted. They would like to get rid of the school of fine arts and other activities.

The Prime Minister says to the Premier that there is no difficulty. I have a letter here from Waterton that tells us of part of the difficulty. There is no disturbance in the ordinary business in these national parks? The businessmen there are having trouble getting insurance. In a telephone call the insurance agent who handles quite a large percentage of the insurance in Waterton informed me that the owners of property in the Waterton Lake and national park area were no longer considered to be a good risk by the insurance company and that these companies would no longer give complete coverage on park property. And this did not disturb business in these parts? Surely the Prime Minister was led down the garden path in that regard.

I would hope that the minister would follow through on the pleas made in the past in respect of the national parks and that he would allow these people an inquiry here in Ottawa. I would hope that he would back up the Prime Minister in his speech in October in Calgary when he promised the people in the national parks in Alberta that they would receive a fair hearing. I suggest to the minister that with the acquisition of the three hon. gentlemen who joined the other place the other day, from the province of Alberta, that they have sufficient numbers in the other

place so that we could provide our part of the committee, and that we should form a committee to delve into this problem of national parks policy.

I believe this is necessary if we are going to develop these townsites, which will remain despite the fact that the director of the national parks does not believe that they should be there. They will remain. Let us have a realistic look at this and not just play politics with it as has been done on occasion. It is necessary to have this inquiry so that interested groups on both sides of the fence, the purists, the sensible people, the residents of the parks, the province of Alberta and other provinces which have national parks—if they are contemplating the creation of other national parks—will have an opportunity to enter into the discussions.

I suggest that now is the time to define the policy and make sure that the residents in these parks know about it, and know that it is not something that is slipped through. Let us have this committee of inquiry; let us have a joint committee of the house and the Senate set up to investigate this matter and bring in a recommendation in respect of national parks. Surely it is only right that there should be a body where interested people and groups, such as the Association of National Provincial Parks of Canada and others could come to express their views.

This is a most important matter so far as we in Alberta are concerned. The 1972 Olympics may be prejudiced by this federal policy. I am sure the officials of the department do not want to see the Olympics at Banff, but there are many of us who do and I am sure it is the general consensus on the part of the people in Canada. These are important questions in respect of the national parks, and these questions have to be resolved. It is not enough that the minister should go and fight with the advisory council in Banff, and the advisory council at Jasper and Waterton; it is not enough that he should try to push it down their throats. It is necessary that we have an inquiry and that the people have an opportunity to express their opinions before a committee. The minister did not get a standing ovation from the residents of either of the three national parks, and did not get very many votes either.

Let us have a realistic look at these townsites; let us restore the policy of zoning. Let us give these people some self-rule in these towns so that the minister does not have to be the mayor. They are paying as much in taxes as any other town in Alberta.

Mr. Laing: What a statement to make.

Mr. Horner (Jasper-Edson): Each individual home owner pays as much as in any other town in Alberta.

Mr. Laing: We have a report on this—35 per cent.

Mr. Horner (Jasper-Edson): The minister is wrong and is again taking the word of the civil servants, who are not aware of the facts.

Why could not the minister set up a federal towns act which would allow these people to govern themselves within the framework of the concept of the national parks? The parks officials do not want that; they want the loose, dictatorial control which will give them authority to tell people where they can put a nail and where they cannot put a nail.

• (9:10 p.m.)

Immediately after he accomplished this he could do away with patronage and that would be a good thing. Let us put these leases out for tender on an equal basis and do away with the idea that one must put on pressure or know somebody in order to speed up lease applications through this archaic institution, and speed up policy decisions made by the office, in order that these people who live in national parks can lead a reasonable life.

The minister suggests that there has been trafficking in the sale of leases, yet there was only one man involved who made a major sale of a family business that was built up over a period of 40 years. Is he not entitled to any profit? I am defending this man and he is probably the best Liberal in Banff.

These things are important not only to the people who live in these national parks, but they are important from the point of view of the province of Alberta. As I said earlier, a major portion of national park acreage exists in the province of Alberta. We depend on tourism in these areas and we think that we can maintain these wilderness areas in the concept established when they became recreational park areas. We believe there should be some reasonable and sensible approach to the question of townsites within national parks.

Again I urge the minister to give serious consideration to the idea of setting up a committee of the house and the other place to investigate national park policy with particular reference to the mountain parks of British Columbia and Alberta, because the parks in British Columbia abut those in Alberta. The

major roads from Alberta to British Columbia run through these parks, as do the major railways. We must have a more realistic and common sense approach to the administration of our national parks. I say this not only on behalf of the people of Jasper, Banff and Waterton, but on behalf of all the people of Alberta. I commend the excellent brief of Hon. Mr. Patrick and state that we support it wholeheartedly. I hope the minister along with the Prime Minister will fulfil their election promises and set up this inquiry without delay.

Mr. Cowan: Mr. Chairman, now that we are discussing the estimates of the Department of Northern Affairs and National Resources I should like to refer in particular to a question or two regarding Indian affairs, as the responsibility for this department was transferred to Hon. Arthur Laing earlier this year.

Before commenting on this problem in relation to the Christian Island band I should like to pay public tribute to Hon. Rene Tremblay who, for a while, was minister of immigration and Indian affairs. When the estimates of this department were being considered a year or two ago I asked the minister if he would give consideration to the very earnest request of the Ojibway Indians on the Christian Island reserve in the lower Georgian Bay area for the establishment of a radio telephone service. I pointed out at that time that the Indians were still being forced by the department of Indian affairs to communicate with the mainland by smoke signal in the same manner Indians communicated with Christopher Columbus. Hon. Mr. Tremblay immediately busied himself with that request to establish a radio telephone system connected with Midland. As a result there was established a radio-telephone service, a stop and go system, but the Indians thought it was a tremendous operation compared with the system they had been forced to use for the past 300 years. Only last fall under the able administration of the cabinet this stop and go telephone system was greatly improved and, with the co-operation of the Bell Telephone Company of Canada, a mobile exchange was put on Christian Island. There are today 45 telephones in the homes of Indian families on Christian Island and they are able to communicate with people at any telephone number on the mainland, despite the separation of a mile and a half by water.

I should like to thank Hon. Rene Tremblay myself and on behalf of the Ojibway band of the Christian Island reserve for what he did, and the cabinet for carrying on even after Rene Tremblay left the department of immigration. I feel certain that Hon. Arthur Laing will pay as much attention to their present, sensible demands as did the minister before him.

The Christian Island band of Indians, who are of the Ojibway tribe, some years ago with the very earnest co-operation of Colonel Jones, who was a senior official of the department of Indian affairs, were able to establish a pheasant farm on Christian Island. They raise about 4,000 pheasants a year and it is possible to go and hunt there for seven months of the year. You are certain that there are birds before your gun; it is not a case of going into the wilderness hoping there is game. When you go to the Christian Island reservation pheasant farm you know there are birds there which were released the day before you arrived.

The problem that is facing the Indians today is this. There is no overnight accommodation available on the island for hunting. The nearest hotel accommodation to the Christian Island reservation is at Penetanguishene, 11 miles away. Very few hunters who go to Christian Island in the morning and have to go back to Penetang in the evening return to the island a second day. The Indians would like to have the hunters stay for two or three days at a time and they have made efforts to establish a hunters' lodge on the island, for which they could charge accommodation.

I have a letter in my hand written two weeks ago today by Chief Monague of the Beausoleil band of the Ojibway Indians on Christian Island. This letter reads:

Dear Mr. Cowan;

We had funds made available from supplement construction program and approval to erect a hunters' lodge to accommodate pheasant hunters. Some are reluctant to come, even though reservations for hunts had been made, due to the short length of time they would have here, there being no accommodations for them to stay over so that they can have a complete day. Inadequate transportation is also a source of trouble.

Since the approval and funds were made available for the lodge we have been advised that the plan has since been rejected.

I feel as if I am stepping over the heads of the Indians Affairs Branch to reconsider their decision but the Council felt that when we introduced the plans at our Council meeting this would help boost our revenue tremendously from the pheasant and tourist projects.

Please, may we have your assistance through your office to approach the Minister, Hon.

Mr. Arthur Laing, to have the Branch reconsider their ruling to our favour.

The phones are a godsend to us, the best way to contact our families who are off the Reserve. Thanking you.

Yours truly,
Leonard J. Monague
Chief, Beausoleil Band.

I should like to point out that this pheasant farm, which was established originally with the co-operation of Colonel Jones under the previous administration, and which has been encouraged ever since, has been a great source of revenue to the Indians, so much so that they are now considering establishing a wild turkey farm on Hope Island, and are considering putting deer on Beckwith Island. This will give them commercial hunting revenue similar to the revenue received from some of those big game farms in the United States. When this is accomplished we will have wild turkeys available for the purpose of hunting on Hope Island and deer on Beckwith Island. I am certain that these ideas are good and that they will work.

While I am on my feet, and I only want to speak for another minute or two, I should like to suggest to the minister of the Department of Northern Affairs and National Resources that he give very serious consideration to the acquiring of title to Giant's Tomb Island in the lower Georgian Bay area for the purpose of a national park.

Giant's Tomb Island is the biggest island south of Manitoulin Island and it is at the present time in the hands of an estate. We now have the Beausoleil Island national park, just off from Midland. Giant's Tomb Island lies between this national park and these three Indian reservation islands, Christian Island, Beckwith Island and Hope Island.

The province of Ontario has taken a great forward step under Premier John Robarts and Kelso Roberts, the minister of lands and forests, in acquiring 2,300 acres of land on the south shore of Georgian Bay. There are plans for a provincial park on this shore property, which is opposite Giant's Tomb Island, to be known as Methodist Point provincial park.

• (9:20 p.m.)

With Beausoleil Island already a national park, with the tremendous new provincial park which is coming up and the three Indian reservation islands, the acquisition of Giant's Tomb Island as a national park would be a mighty step forward on the part of the Department of Northern Affairs and National Resources. The five islands I have named and the new provincial park, Methodist Point Park, will be within 90 miles of metropolitan Toronto with a population of two million. There will not be another large national park within the Dominion of Canada so quickly and easily available to so many people as a national park developed in the lower end of Georgian Bay.

While Giant's Tomb Island is in the hands of the estate of a lady who recently passed away I would urge very, very sincerely that the Minister of Northern Affairs and National Resources look into the possible acquisition of this property to round out a beautiful system of national and provincial parks on the north side of Simcoe County in lower Georgian Bay. I hope the minister will make certain that the Indians are able to erect their hunters' lodge at this time. The pheasant season is open until March 31 on commercial game farms and then is closed to September 1. I trust the minister will look into my suggestion, of acquiring Giant's Tomb Island for development as a national park, in the same way as we have been operating Beausoleil Island for the past many years.

Mr. McIlraith: Mr. Chairman—

Mr. Nielsen: The government house leader cannot get away without a few remarks from me on the Department of Northern Affairs and National Resources. Mr. Chairman, I should like on behalf of those of us in this party to direct my first words to the excellence, high calibre and dedication of the personnel in government service who go to make up the Department of Northern Affairs and National Resources. I have known a good many of the personnel in the department for a number of years now and have for the most part had the most excellent co-operation from these government employees. We do not always agree. We did not always agree when I was sitting on the government side and no less do we find complete agreement now that I am sitting on this side of the house.

I think it appropriate, and I am sure the minister will agree with me, to draw the attention of members of the committee to the fact that the Commissioner of the Yukon Territory is sitting in the Speaker's gallery.

Some hon. Members: Hear, hear.

Mr. Nielsen: I believe also, though I cannot see them from where I am standing, that the three-member advisory committee on finance, all members of the Yukon Legislative Council, are here as well to discuss with

departmental officials the estimates of the Territorial government.

My remarks this evening will be directed to a matter that is becoming an increasing problem to the federal government, to the Department of Northern Affairs and National Resources and one that is becoming one of increasing concern to the people of the Yukon and Northwest Territories. I was going to make some remarks in connection with the hon. member for Northwest Territories, but I shall refrain from doing that until another time when he is in the chamber to hear them.

I believe the minister will agree with me that one of the most important features of any democratic institution is the amalgamation of the executive with the legislative arm of government. The progress which has been made toward that end in the Yukon Territory, made under the previous government when the Yukon Act was amended to increase the size of the council from five to seven members and to establish the Advisory Committee on Finance of three members selected by themselves from among themselves, was a first step in achieving that executive control which is necessary before any institution can be called democratic.

Our ambition, notwithstanding the brief that has been submitted to the Carrothers Commission by the government of Alberta, notwithstanding the suggestion of Premier Bennett of British Columbia and notwithstanding several representations made by others in this regard, is to achieve full provincial status in due course. We in the Yukon, and I know the feeling is the same in the Northwest Territories, do not wish to become any provincial backyard.

I am sure these sentiments find favour not only with the minister and his officials but with the government as well. Having said that and having recognized, as I know the minister does, that there is a rising tide of resentment in both Territories against the continuing situation whereby people living in these Territories have no direct control over the development of their respective Territories, there must be evolved now some kind of plan which will bring us to the point of autonomy in the near future.

The provisions of the British North America Act, particularly those of section 146, provide the machinery whereby provincial status can be accomplished. In the Yukon we are moving in that direction. We have had over 65 years of history in the development of the institution of government and of an acquaintanceship with the machinery of that kind of government. Those in the Northwest Territories are not so fortunate.

Members of the committee will, I am sure, be aware of the fact that in the Yukon Territory the council is wholly elective, whereas in the Northwest Territories a minority of four holds elective office and an appointed five councillors hold the balance of power. I know this will be changed in the amendments to the Northwest Territories Act to be introduced during this session.

We believe that we in the Territories exist in a state of vassalage. We are ignored in all high level deliberations. It is not good enough to say with respect to the functioning of federal-provincial conferences that we can send an observer. There must be participation. Policies and projects cannot be evolved affecting the development of the Yukon and the Northwest Territories unless there is participation in the design of those policies and projects by those who live in these Territories.

All of the countries of the Commonwealth which now enjoy representative institutions and responsible government have passed through a provisionary period. That has been our history in Canada. That has been the history of any evolution of the territorial form of government through to the state or provincial form of government. There has to be a growth of population; there has to be a certain degree of political training which will prepare emerging areas for the responsibilities of autonomy.

• (9:30 p.m.)

I draw to the attention of the minister and members of this committee, and I do so now because when amendments to the Yukon Act and the Northwest Territories Act come up for discussion—I give the minister fair notice now—it will be our object to seek certain amendments to those pieces of legislation which will, we think, achieve the desired end of accomplishing this planned progress to autonomy in the Yukon and Northwest Territories. The Yukon was established as a separate district as far back as 1895. Well before the western provinces became provinces, the Yukon was already a separate district. In 1889, it was created a separate territory and at that time a council was set up. We have, therefore, evolving for well over 65 years a territorial form of government in which there has been participation in

legislative function, and in that function only by the citizens in the Yukon.

My proposals, very briefly set out are these, and they are what the minister can expect as amendments proposed to the Yukon Act. I propose, first, that the administration of justice be passed from federal to territorial control in the Yukon. I am not speaking now of the Northwest Territories. The Yukon has been prepared for some years now for the acceptance of this responsibility, I mean some recent years. There should be set up in the Yukon an attorney general's office with full responsibility for the administration of justice. The remarkable, and I say this without any reflection intended whatever, increase in the thousands of dollars being now paid out to crown counsel and to other officials in connection with the administration of justice in the Yukon would seem to fully justify this proposal.

From a point prior to 1962, where the average for the previous decade was $12,000 to $15,000 a year paid out for this kind of fee and expense, it has increased in the last three years to $25,000 and $35,000 per year. This amount of money will support, and easily support, the establishment and existence of an attorney general's office. It will also allow salary scales to be raised to a level where capable professional people will be attracted. The minister knows the difficulty we have been experiencing in obtaining legal counsel there in the last three years. We have not found anyone yet. The reason is simple, the salary scale is just too low.

Second, I propose that the lands administration function that is now carried out in Ottawa by the minister's department in so far as the Yukon is concerned, be transferred to Whitehorse. It seems a ridiculous situation where you have a territory comprising about 207,000 square miles, and where it takes two, three or more months to obtain title to a 50 by 100 foot building lot. This situation simply is not acceptable any longer. I know the minister will agree with me that the accelerating influx of industrial activity in the Yukon and Northwest Territories, particularly in the Yukon, demands that decisions be made on the spot. Industries that are in the Yukon to set up mining complexes want decisions of a municipal nature now. They do not want to be bogged down by an exchange of correspondence taking months between officials in Whitehorse, officials in Ottawa and themselves. This is where time is consumed.

The next step in the evolution I suggest is increasing the size of the wholly elected council from seven members to 15. I know the minister is going to consider that a rather large jump, and will want some justification for it. Probably his officials will want to test the merit of that suggestion as well. I suggest 15 because of the existence of a state of affairs now where the 7 man council has developed into nothing more nor less than a sort of permanent opposition to the administration. Everything that is proposed in council by the administration is opposed by the council, and it is because there is no division of opinion on the council; it is because there is not that division that is found in a house such as this or in a house such as exists in the democratic institutions of the provinces. You cannot have a division of opinion with seven representatives.

I believe, although it may be more or less than 15, that that kind of division of opinion can only be had if you have a sufficient number of individual representatives on the council so that you are going to have emerge a majority opinion and a minority opinion. The second reason for increasing the size of the council is to attract to the elective offices the calibre of individual which it is so desirable to have form any representative institution. People of that calibre do not wish to run, for several reasons. One of those reasons is that they do not want to have a part in constantly opposing the administration, which is the situation now and will continue to be unless either my suggestion or some equivalent is adopted.

There is another reason for increasing the size of the council. By increasing its size you will allow that kind of flexibility which will permit the extraction from it of at least five representatives from among the members of the council who will be able to accept executive responsibility. I am opposed to any retrograde step or alterations of the suggestion I am making now to increase the council whereby you would appoint members to the council or to the legislative assembly. This principle of appointment denies the very principle of the democratic institution itself. The only argument of which I am aware in support of appointing people to legislative bodies in the state of development in which the territories are now, is that they will provide the expertise necessary and which perhaps the elected members of council in the Northwest Territories. for example, do not have. This is no justification because this

expertise can be had by calling before council, as we have been doing in the Yukon for years, the necessary expert advice and testimony, including that of the very capable employees of the government from time to time. As a matter of fact, I can remember when the present member for the Northwest Territories appeared before the council to advise the council on the implementation of hospital insurance in the Yukon.

• (9:40 p.m.)

The next step would be increasing to five the size of the advisory committee, which now consists of three. These five members would be selected by the leader of the majority of the elected council of 15. In other words, you would have emerging from the 15 man elected body, a leader of the majority opinion, whether you called them red and white, Grit and Tory, or Socialist and Social Credit. You would have a split of opinion and the leader of that majority selects from it his advisory committee. There would have to be the clothing of that executive committee with executive responsibility. I do not know whether the minister is shaking his head indicating disagreement with these proposals.

Mr. Laing: I was just wondering what would happen when the friendly little group became invaded by five parties.

Mr. Nielsen: This is a real problem and we discussed the question the minister has raised with several of those in the Yukon. I had anticipated this problem, as had others. But if you think for a moment, no matter how you cut the pie, with 15 members you are not going to wind up with the undesirable situation that you have in this House of Commons. Regardless of how you cut it you are always going to have a majority numerically—and I mean a numerical majority. I am sure the minister will agree with me that even though you might find within a majority group shades of opinion, particularly in the Yukon, you are going to get from 15 members that kind of opinion that is close enough among seven or eight members so as to form a majority opinion. I do not know whether I have put across that idea to the minister, but none the less that is what would happen. There simply is not that kind of probability in the Yukon, as is the case in this house.

As the minister and his officials know, we in the Yukon are now looking after education; that is administered there. The whole forestry function is carried out in the Yukon, even though it is a federal responsibility. The game function is carried out there. We have the welfare function carried out in part there, though the administrative function could all be carried out there. The public works function territorially is carried out there. It is the plan to transfer the administration and the maintenance of the Alaska highway from the federal Department of Public Works to the territorial department of public works, or to highways or the engineering department, in April of 1967. So that these administrative functions are now being, or will be in the near future, carried out in Whitehorse.

It is but a short step to pass executive responsibility to the five-man nucleus of the cabinet that I suggest. At the moment, as the minister knows, the council has only one fiscal prerogative. It has only one control over the executive, and that is to refuse to pass supply. They had the same kind of power in the early days in Manitoba, in 1879, just before the district of Assiniboia became the province of Manitoba. The minister will well recall from his reading of history when Frederick Haultain led a group of dissatisfied Manitobans and refused to pass supply, and the civil service had to go out and cut wood to pay the rent and to eat.

I am not suggesting for a moment that the people of the Yukon will revolt in that fashion, but I am suggesting that the feeling in the Yukon, not only among the general population but among the employees in his own department and territorial civil servants, has now reached the stage of almost anti-imperialism. Our commissioner is resigning. It is embarrassing for me to refer to him when he is sitting above me, but as I understand it, what he is saying is that he cannot drive a team of horses with reins 4,000 miles long.

Because of the role the members of the council have adopted of constantly opposing the administration, this has placed the commissioner in the position of being torn between two responsibilities. He gets static from Ottawa because he cannot keep the council in line, and he gets static from the councillors because he cannot get what they want from Ottawa. So there has to be some kind of coming together of the legislative and executive functions there.

The opponents to this kind of reform will say that he who pays the piper should call the tune.

Mr. McIlraith: Carried.

Mr. Nielsen: Perhaps the minister will bear with me a moment or two. They then advanced the second argument, that there is not sufficient population in the Yukon to justify this kind of reform. I suggest that on both counts these arguments fall to the ground.

There is precedent for the population argument, since in the province of Manitoba you had a white population less than the population today in the Yukon upon formation of the district of Assiniboia into the province of Manitoba. At that time the province of Manitoba was heavily subsidized by federal moneys, yet executive control was passed over. Even today the province of Newfoundland and the province of Prince Edward Island are heavily subsidized by federal funds. The province of Prince Edward Island has a population of 100,000 people, with four members in this house and with Senate representation. There is no Senate representation for the north at all and there is no executive responsibility.

There is the precedent of yesterday and the precedent of today for saying that the fiscal argument should not affect this decision, as well as for saying that the population should not affect the decision. Surely the test should be: Is it or is it not desirable to erect democratic institutions in that part of the country where the people are going to have a real and effective voice in their own local affairs? This is not the case in the Yukon. You can pass resolution after resolution and give opinion after opinion, but this is not the same as evolving policy. A denial of this kind of reform is simply saying to the people of the Yukon that they do not have the kind of individual who is responsible enough to look after the territorial taxpayers' dollar and the Canadian taxpayer's dollar. Yet we are giving them this kind of responsibility now particularly in the field of education. As the minister knows, there is the whole structure of the territorial civil service quite separate and distinct from the federal civil service which now exists in the Yukon and has for many years, and which performs a wholly territorial function.

We bargain for federal moneys—indeed, this is one of the reasons the advisory committee is here now—on the same basis as the provinces. We negotiate separately and sign separately the same kind of federal-provincial fiscal agreements as does any province. We pay taxes in the territory. Granted, we do not pay enough to maintain government and services, but no more so than Manitoba did when it became a province and no more so than Newfoundland and P.E.I. do today. However, there is representation from those provinces on the decision-making bodies which prepare and complete the fiscal agreements with the provinces.

• (9:50 p.m.)

What earthly reason can there be for having no representation when these fiscal decisions are made under the federal government and the territory. Instead of that, what happened was that the federal government said, "Here is the contract; you sign it." That was the end of it. You could not say yes, no, or maybe.

It would be my suggestion, to round out these reforms that I proposed to the minister and to the committee this evening, that these executive responsibilities should be passed in the fields I have mentioned, to the enlarged executive committee. I do not suggest for a moment that water resources, oil and gas or mineral resources should leave the federal jurisdiction, no more than they left the federal jurisdiction when the western provinces were created in 1905.

A period is required during which the elected council must gain the skill of government before the important resource responsibilities pass to it. It took 25 years in the case of the western provinces. In my submission, perhaps it would take as much as three or four sessions of the new kind of assembly that I envisage in the Yukon to be ready to assume the whole resource responsibility.

I am suggesting that the term of the council be extended from the existing three years to four years. I suggest that the council be allowed to set their own indemnity. Surely if we have a representative institution that we are going to clothe with any kind of responsibility, the first kind of responsibility we must entrust to it is that of setting its own indemnities, instead of being told by this house how much they are going to get.

The Chairman: Order, please. I must advise the hon. member that the time allotted for his speech has expired.

Mr. Nielsen: I have another five minutes, if the members of the committee will bear with me?

Some hon. Members: Agreed.

The Chairman: Does the committee give unanimous consent to the hon. member for Yukon to continue his speech?

Some hon. Members: Agreed.

Mr. Nielsen: I thank the members of the committee for their graciousness in extending to me this time.

I know that the proposal will very likely be made, in the amendments to the Yukon Act to be brought before the house, that the house be asked to set the salary. Let the members of the council set it themselves. They are the ones who are going to have to accept the reaction of the electorate up there. If they set it too high they will not get back into office, and perhaps the taxpayers of the Yukon and Canada will be better off if that decision were left entirely up to the council.

I suggest, too, that the prohibition—and of course this would be a consequential sort of amendment that would follow upon the adoption of the reforms I have suggested—contained in section 24 of the Yukon Act be removed in so far as that provision affects the executive responsibilities in those departments which I have suggested should be transferred to the executive of the enlarged assembly.

Education, public works or engineering, or whatever it might be called, health and welfare, education, justice, revenue and finance, resources, except oil, gas, water and minerals, but including game, tourism, forests, would be transferred. These would pretty well take up the energies of the five man executive committee that I propose.

I urge the minister to take these very broad proposals which are alterable in the main into consideration.

Economic events of recent years in the Yukon should indicate to the minister the tremendous potential of the country itself. Problems that are arising because of this tremendous acceleration are becoming more serious as each day passes, and something has to be done. I believe the reforms I have suggested are reasonable reforms. They are not radical.

I believe that the real control of the federal government representing the taxpayer of Canada as a whole will be the fact that the federal government will retain control over the major resources responsibilities; therein lies the basic economic reality that the Yukon has to offer to the over-all national economic fabric.

When the amendments to the Yukon Act are placed before the house I would very sincerely hope to see incorporated in them the proposals I have put to the minister, or alternatives bearing very close resemblance to them.

[The Chairman.]

May I thank the committee for its indulgence.

[*Translation*]

Mr. Duquet: Mr. Chairman, I would like to take the opportunity afforded me tonight by the consideration of the estimates of the Department of Northern Affairs and National Resources to call the attention of the minister (Mr. Laing) to something which is dear to my heart and which, in my opinion, will also open a chapter in our history: it is about a park located in the riding of Quebec East where, in 1935, set foot the discoverer of our country, Jacques Cartier—

Mr. Caouette: In 1535, not 1935.

Mr. Duquet: Yes, that is right, in 1535. Mr. Chairman, I wish to point out to the minister the fact that this spot was made into a public park about ten years ago. Numerous representations have been made by the authorities of the city of Quebec, by public bodies such as the Société St. Jean Baptiste, citizens' leagues and others so that this historical site would be developed at last and steps taken so that the people could commemorate by a monument and visits, the event I mentioned, that is the discovery of Canada.

I think, Mr. Chairman, that it would be appropriate on the occasion of the centennial celebrations to give the development of the Cartier-Brébeuf park all the attention it deserves.

I would also like to point out to the minister, as I said before, that many representations were made over a number of years.

I remember that, during the 1958 election campaign, the right hon. Leader of the Opposition (Mr. Diefenbaker) paid a visit to that park and I remember also that he definitely promised that within a few years or months, the park would be built.

I would like to believe, Mr. Chairman, that there was no ill-will on the part of the present Leader of the Opposition, who later became Prime Minister, but I must point out just the same that nothing was done and the park is still waiting to be developed.

I call the attention of the minister to that matter and I dare hope that, when his next estimates are considered, or even before, he will have found it possible to do something to realize that project—

Mr. Caouette: Ten o'clock.

Mr. Duquet: —which the people of Quebec city, particularly the people of the riding of Quebec East, hold so dear.

Mr. Caouette: Ten o'clock.

Mr. Duquet: Mr. Chairman, I do not think—

Mr. Caouette: Mr. Chairman—

[*English*]

On a point of order, Mr. Chairman. I call it ten o'clock.

Mr. McIlraith: Mr. Chairman, could we not agree to sit, and could we not ask the hon. member to agree, so that we may get some further estimates completed tonight. I believe that is the wish of hon. members.

Some hon. Members: Hear, hear.

• (10:00 p.m.)

[*Translation*]

Mr. Caouette: Mr. Chairman, if I understand correctly, the various house leaders have agreed that the estimates of this department should be passed as soon as possible.

We have been discussing item 1 since 8.15 this evening. During that time we have heard three speeches by Conservative members.

Now, if the understanding is that only the Conservatives are to be heard, well, for my part, since it is quite enough for me to have to listen to them all day, I do not see why I should be forced to listen to them all night.

Therefore, I object to our discussing those estimates any longer. When the Conservatives are able to understand that we are also entitled to voice our opinions, to say what we have to say, then we shall be more understanding and co-operative than I am now.

At this time, Mr. Chairman, I should like to draw to your attention the fact that it is ten o'clock.

[*English*]

Mr. McIlraith: I wonder whether we could not agree to go on further tonight with these estimates in an effort to finish them tomorrow. The situation will be quite serious if we do not finish them tomorrow. I think it is the consensus among most hon. members that it is possible to do this. I know that at these times there is always someone in the house who feels that someone else should not have taken up the time of the committee. But after all, this is a free society and all members have their rights. So perhaps we could show a little forbearance and try to go on. I wonder whether the hon. member for Villeneuve would consider permitting the committee to continue?

[*Translation*]

Mr. Caouette: Mr. Chairman, would the leader of the house state how much extra time he requires? He has already been granted five minutes.

[*English*]

Mr. McIlraith: I think the government time required would be less than one minute—not even sixty seconds.

[*Translation*]

Mr. Caouette: May we now have the assurance, Mr. Chairman, that Conservatives will not cause any further delay during consideration of these estimates?

[*English*]

Mr. Knowles: Members of the committee will not be surprised when I say I share the view of the hon. member for Villeneuve. But I also acknowledge the point made by the leader of the house, that it would be desirable to get along a little if we can. I think the leader of the house might be able to exercise some persuasion on the hon. member for Villeneuve if we could reach some kind of agreement as to how much we propose to do and how long we intend to sit. I think what bothers us most about these overtime sittings is the open-endedness we sometimes experience.

An hon. Member: It is the open mouth, not the open end.

Mr. Knowles: If we could finish up this department in half an hour or forty minutes I think it might be possible to sit on, but I do not think the minister should ask for any other department tonight.

Mr. Starr: I should like to speak for the official opposition. We have 97 members as compared with nine or 21. Consequently there are obviously members who wish to speak on particular items. However, if the clock is not seen until twelve o'clock we are prepared to finish this department, the Department of Labour, the Department of Citizenship and Immigration and the Department of Fisheries.

Some hon. Members: Hear, hear.

Mr. Starr: If the hon. member for Villeneuve does not want to listen to us, Mr. Chairman, he can go home.

Mr. McIlraith: Could we agree that the hon. member for Villeneuve be heard for whatever time he wishes on this department—or a member of his party, whomever he wishes. I think he should be heard now. I

would like to get through this department and the other departments the house leader for the official opposition has indicated. If that is agreeable to the other parties, I think we should have some understanding that the official opposition would curtail their speakers within limits, because they have had a very good evening.

Mr. Knowles: I think the house leader would make more headway in his negotiations if he would confine his wishes to this one department.

Mr. Starr: I still repeat, Mr. Chairman, that in our responsibility and in looking over the estimates, we are prepared to pass the estimates of this department, the Department of Labour, the Department of Citizenship and Immigration, and the Department of Fisheries tonight before twelve o'clock.

Mr. Patterson: Mr. Chairman, we in this group are prepared to go ahead and carry on with the estimates of this particular department. I would suggest that we do so and see how we get along with the estimates now before us, and then proceed to decide whether or not we should go ahead with any further estimates.

[*Translation*]

Mr. Caouette: Mr. Chairman, the aim of the Conservatives is to force us to stay here all night to listen to them. I have always maintained that it is ten o'clock. We have to put up with them during the day, but we do not want to hear them at night. Mr. Chairman, would the government leader give us the assurance that the estimates of those four departments will be passed before midnight?

[*English*]

Mr. McIlraith: I would think, to the extent that any one person here can, that I can give that assurance. Certainly there will be no hold up on this side, and the official opposition have made their position clear, that they would pass those departments. I hesitate to bring this up, but a serious situation is developing if we do not finish by Friday night.

[*Translation*]

Mr. Caouette: Mr. Chairman, could the house leader tell us whether we shall only hear Conservatives, because they are 95—they are not 95 at present—but will they be the only ones to have the right to speak here or will the Chair recognize us also?

[Mr. McIlraith.]

[*English*]

Mr. McIlraith: No. I am quite sure I would have the unanimous consent of the house to ensure that the official opposition would not take all the time between now and twelve o'clock.

Mr. Churchill: Would you give us assurance that only the ministers will speak on your side of the house.

Mr. McIlraith: I think the hon. member for Winnipeg South Centre can safely leave that problem with the government house leader.

The Chairman: Shall item 1 carry?

Mr. Peters: Ten o'clock.

Mr. Kindt: Mr. Chairman, I have five minutes—

The Chairman: Order, please. Do I understand that the hon. member for Timiskaming has called it ten o'clock?

Mr. Knowles: Mr. Chairman, I think I can speak for the hon. member for Timiskaming. The reason he has tried to call it ten o'clock is because the government house leader has showed no interest in our suggestion that we try to finish this department before considering anything else. He is asking too much.

Mr. Starr: The government house leader is not bootlegging any departments in. He is trying to carry out his responsibility, and we have offered to co-operate with him by passing those departments which I have enumerated. At your end we are getting no co-operation in the conduct of the business of this country.

Mr. McIlraith: I have a right to point out that I am not engaging in any bootlegging activities. The hon. member is quite right, if by that he means that I am trying to get departments through, because I know perfectly well what the consequences will be if these estimates are not passed.

• (10:10 p.m.)

Because we are well aware of the consequences if these estimates are not completed, I am quite sure it is not the wish of hon. members in any part of this house, who think about this, to needlessly delay items that can be carried. The consequence of a failure to carry these items would be an inability to pay money to people in this country who need the money and use it for their daily living requirements.

Mr. Chairman, I have hesitated to bring that fact before the house. I have not mentioned it publicly before because I thought the situation was well understood by all hon. members. I am sure most hon. members understand this condition, and I mentioned it in the spirit of goodwill so that we could arrive at a solution which is fair to all members of the committee, and will allow us to get on with our work.

The Chairman: Is the committee agreeable to the suggestion?

Mr. Peters: No, Mr. Chairman, it is ten o'clock.

Mr. McIlraith: Mr. Chairman, I move that the committee rise and report progress, and ask leave to sit again later this day.

The Chairman: Shall I rise, report certain resolutions and request leave to sit again at the next sitting of the house or later this day, as the case may be?

An hon. Member: Later this day.

The Chairman: Is it agreed that we should request leave to sit again later this day?

Some hon. Members: Agreed.

Resolutions adopted in committee of supply this day reported and concurred in.

Mr. McIlraith: Mr. Speaker, I move, seconded by the Minister of Transport (Mr. Pickersgill):

That this house continue to sit this day until twelve o'clock midnight.

Mr. Fairweather: Now we will see the Socialists squirm.

Mr. Deputy Speaker: Order, please. It has been moved by Mr. McIlraith, seconded by Mr. Pickersgill, that under the terms of Standing Order 6(2) this house continue to sit until twelve o'clock.

Some hon. Members: Agreed.

Mr. Knowles: Mr. Speaker—

An hon. Member: This is not a debatable motion.

Mr. Knowles: If this motion had been of an open-ended character we would have objected, but since the minister has proposed—

Some hon. Members: Oh, oh.

Mr. Knowles: Since the minister has proposed—

Mr. Churchill: It is not debatable.

Mr. Knowles: Mr. Speaker, I do not have to sit down because of these cat-calls.

Mr. Churchill: I rise on a point of order, Mr. Speaker. This motion is not debatable.

Mr. Deputy Speaker: Order, please. The motion now before the house is not debatable.

Mr. Knowles: Even though it is not debatable, I could object to it; but I was announcing the reason we are not objecting.

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: Order, please. House again in committee of supply, estimates of the Department of Northern Affairs and National Resources, vote No. 1.

SUPPLY

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

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

Administration and general—

1. Departmental administration including a contribution to the Canadian Council of Resource Ministers in an amount equal to one-half the aggregate contribution of the provinces but not exceeding $55,000 and $145,000 for grants for northern research and for northern scientific research expeditions, $1,817,000.

Mr. Kindt: Mr. Chairman, we have taken almost 20 minutes to decide what has already happened in the past 10 to 15 minutes. I am quite willing to cut my speech down to about five minutes.

Some hon. Members: Hear, hear.

Mr. Kindt: There are a number of points that I must bring to the attention of the minister because my constituents have asked me to do so; otherwise I would sit down and say nothing.

The Chairman: Order, please. I would ask the hon. member kindly to come to the substance of vote No. 1 immediately.

Mr. Kindt: Thank you, Mr. Chairman. I was just ready to proceed with my remarks on this vote. In essence I want to return to the question of national parks, and particularly Waterton Lakes. Nothing has yet been said to the Minister of Northern Affairs and National Resources about the people of Waterton Lakes.

We want to bring out some policies asked for by the people of Waterton Lakes. The people there are asking for winter sports to be introduced in the park. I know the minister has said something about unsanitary conditions, and so on, but they are not troubled with this matter at Jasper or any of the other parks. Therefore why should it be necessary to use this reason as a roadblock for preventing winter sports taking place at Waterton Lakes?

The people of Waterton Lakes are asking that another amenity be provided in the park. When the surrounding farmers and others visit the park on Saturday or Sunday they would like to be able to play a game of baseball and then enjoy the beauties of the park. They are unable to play baseball because there is no diamond and no accommodation for them. Many resolutions which have been passed and submitted to the parks department have fallen upon deaf ears.

The third point I wish to make deals with the policy of this government as stated by, the minister with respect to the security of the people who live in the townsite of Waterton Lakes Park. We held a meeting there last fall—

The Deputy Chairman: Order. If some hon. members wish to hold conversations perhaps they could do so in an undertone so that hon. members who wish to listen to the hon. member who now has the floor will be able to do so.

Mr. Kindt: I was saying, Mr. Chairman, that we attended a meeting of the Chamber of Commerce in Waterton Lakes last year, which the hon. member for Lethbridge and myself attended. The people in attendance were above all concerned, and deeply concerned, about the policies of this minister and the government with respect to the security of the residents of that park. The people of this area think there is something drastically wrong with the attitude of the minister and this government with respect to this wilderness area.

• (10:20 p.m.)

It seems as though the government wants to get rid of the residents in the park. These people have made investments there and are enjoying their stay, but they want some security. There is no reason on God's green earth why these people should not have security. What is more, whether this government thinks so or not, with the clamour there is from the people, they are going to get this security.

I have lived adjacent to this wilderness area and I know something about it. We have a wilderness area extending 2,000 miles north. You can fly over that country, as I know the minister has, look down and see a tremendous lake with nothing more than a goose on it. You can do the same thing in the national parks. Certainly we want to preserve the naturalness of natural parks, but we also want to have people living in townsites, with security, in order to give service to the people coming from the outside to visit those parks. This is all I intend to say at this time. I hope the minister will call a meeting of representatives of this house, bring in witnesses and get at the underlying principles to smooth out government policy with respect to these park areas.

Mr. Simpson: I realize the committee expects everyone to be as brief as possible. I did have quite a number of things to take up while the estimates of this department were being discussed, but I will try to be brief. I want to point out one thing before I launch into my remarks. I have heard observations in the last three or four days, we heard them last night from the acting house leader and again tonight, to the effect that the government is anxious to get these estimates through. I also heard two people the other evening on the local television station, I believe Colin Parker and Mr. Tom Earle, say that if the Conservative opposition continued the filibuster the civil servants would not be paid.

I should like to say for the record at this time that if the government had handled the business of the country properly, if we had come back last September, as promised by the Prime Minister, we would have had time to scrutinize these estimates in the way the people of Canada expect us to do.

I should like to make a few comments with regard to the Roads to Resources policy. I know the minister or the chairman might say this Roads to Resources program has now been put under the jurisdiction of the Minister of Mines and Technical Surveys. In answer to a question by the hon. member for Mackenzie, the Minister of Northern Affairs and National Resources directed the question to the Minister of Mines and Technical Surveys who said, more or less, that a number of the provinces had not yet spent their allotment under this program.

Now, in the last session we were asking questions concerning the plans of the government for extending or re-establishing the

Roads to Resources program. We were told at that time the government intended to come up with a different type of program which would be much better. If the program they have evolved is the program for the Northwest Territories, if that is the one they have substituted for the Roads to Resources program, I should like to suggest to the minister it will be of no help whatever to the people in the northern parts of the provinces. These people were grateful to the previous administration for inaugurating the Roads to Resources program. The Minister without Portfolio mentioned he thought this was one of the better programs that had been introduced in the last few years. I certainly agree with him. When we do not get an answer from the government regarding any extension or re-establishment, I wonder whether the Prime Minister has probably convinced his colleagues in the cabinet that, as he said once before, this would be nothing but roads from igloo to igloo.

I do not want to keep harping on that statement of the Prime Minister, but he did make it. If we do not hear something from the government fairly soon, the people in the northern parts of the provinces will become convinced that possibly this is the attitude of the government. I hope that the minister or his colleagues in the cabinet will study this situation, because if you talk to mining people and lumbermen and people in the tourist industry, they will tell you, if it is not already realized by those on the front benches, just how much necessity there is for a continuation of this program.

I want to speak very briefly on a subject which may not seem of too much importance to the committee tonight, with everyone being in a hurry, but it relates to one aspect of northern affairs, the Canadian wildlife service. I have discussed several matters with the director, Dr. Munro, who has been very helpful. At the present time we have this huge development coming along in Manitoba, the Nelson River power project. We have recently had other power projects developed in Manitoba. I feel, as do all members in the game and fish associations as well as interested persons in Manitoba, that a very thorough look should be taken by the Canadian wildlife service at the wildlife habitat in the Nelson River area. Correspondence has passed back and forth between the minister and various game and fish associations, and the minister has advised these associations that wildlife in the provinces, and renewable resources, come within the jurisdiction of the provinces. However, I would point out that under the Migratory Birds Convention Act the federal government has a distinct responsibility.

On looking at the estimates I see that the amount of money allotted to the Canadian wildlife service is very small, which means it is not always possible to do the work they feel they would like to do. Therefore I would suggest to the minister that he take a look at this with his officials to see whether it would be possible under the migratory birds treaty for the Canadian wildlife service to send men into this area to make sure that the wildlife habitat as far as geese and other migratory birds are concerned is well protected. I would ask the minister to ensure, particularly in view of the diversion of the Churchill River into the Nelson, which might result in lower water levels, that nothing will be done to disturb to a great extent, or disturb to any extent if possible, the wildlife habitat in the area.

The wildlife service has admitted that the watershed of the Nelson River in its northern region is recognized as a great potential geese habitat, something which must be protected for the benefit of future generations. However, I am not going to spend the time tonight on this subject, although I should like to; as I said, I do realize the situation.

• (10:30 p.m.)

I should like to spend a few minutes on some of the problems facing the Indian people, not only of the area which I represent but of northern Canada. Indian affairs, as I understand it, come under the Minister of Northern Affairs, with the new addition I believe of "Indian affairs." I know that the officials of the Indian affairs branch over the years have been spending countless hours trying to come up with some solution to the tremendous problems which face our Indian people. I do not profess to have the solution but I do feel that I have some constructive suggestions to make and I feel that the time is long past due when some of those programs should be adapted. In the area which I have the honour to represent there are 17 Indian reservations comprising some 13,000 or 14,000 people of Indian blood. They are still living on reservations. Over the last ten years that population has increased to its present figure from 7,000 to 8,000.

As the people in the Indian affairs branch realize, if something is not done about their

problem soon, it is going to become much greater within the next 15, 20 or 25 years. People in the Indian affairs branch realize that something should be done, but sufficient money is not provided. I know that the director of the branch, Mr. Battle has a genuine interest in the welfare of the people, as have many of his officials. I also know that he is handicapped by insuficient money to spend. One thing which would not cost too much money is for those people who wish to remain there—and it is my intention to see that those who wish to remain there shall do so,—to have their conditions improved as quickly as possible. If the government keeps its promises, it will improve the situation of those Indian people. We have glaring examples in my constituency—

An hon. Member: Let us see some co-operation.

Mr. Simpson: —of situations which do not compare very well with some conditions which prevail in other reservations.

An hon. Member: It was twenty to twelve the other night.

Mr. Simpson: I would suggest to the minister that one of the most urgent considerations is to provide Indian people with electric power. I know that this seems to be almost impossible. I can tell the minister that in the province of Manitoba the provincial agency in charge of power has the equipment on hand, is prepared to go in and do those things, and do it now. It is just a matter of getting some financial assistance from the Indian Affairs Branch. I think the minister should look at the situation to provide financial assistance as quickly as possible, because if this is not done these people are going to be without these services for many, many years.

I hear people at the far end of the house and on the government side saying, "Let us get on with the estimates." However, I can assure those hon. members that I am not standing up here for any political reason. I am standing up here and speaking for 14,000 Indian people in northern Manitoba who sent me down to speak for them. I should like, in conclusion, to say to the minister that on some reservations conditions are quite good. For instance at Island Lake, conditions may be better, because it is the location of an agency. At Island Lake they have a saw mill; they have inaugurated a net hanging project which last year brought in between $6,000 to $10,000 in revenue for the people.

The people can do these things themselves under supervision. They instituted upgrading courses. They are very successful and in general they have a well run reservation. On some other reservations, nothing is done for them. No guidance is given to them, possibly for lack of funds. I say that improvements to these reservations could be made for very little money. Instructors must be sent in to guide these people. In more favourable circumstances these people could lead a much better life.

There is one final point I wish to make. It relates to the designated areas and I hope the minister will not say that I should be raising this subject with the Department of Industry. The area of which I have been speaking is one which I have been trying to get the minister concerned to recognize as being a designated area for two or three months. He tells me it does not meet the criteria—that the unemployment figures do not correspond with the figures which are acceptable.

I implore the minister to have his officials check with the Unemployment Insurance Commission. He will find that unemployment officers nearest the areas where these people live and where they would have to register are so far away that there are no figures whatsoever. On my way to Ottawa at the beginning of this session I ran into two people each of whom was willing to go into northern Manitoba and put up a fish processing plant costing in the neighbourhood of $200,000. They would put the plants up tomorrow if this was a designated area. Skilled labour is not necessary in this kind of work. The Indian people could do it. Each of these plants would provide work for 60 of the Indian people—they would need no more than a week's training.

I trust the minister will have his officials look into this matter as quickly as possible to see whether this area of northern Manitoba could not be declared a designated area. Whatever this might cost, the benefits would far surpass that cost.

[*Translation*]

Mr. Caouette: Mr. Chairman, I should like to co-operate also with the Conservatives in stretching out the debate as much as possible so that midnight comes fast.

We are now studying supply for the Department of Northern Affairs and National

Resources. I should like to know if the imbroglio between Ottawa and Quebec, with regard to the Quebec Eskimos, has been settled; if the Minister of Northern Affairs and National Resources (Mr. Laing) has complied with the requests, made time and time again, by hon. René Lévesque, that Quebec be given jurisdiction over the Eskimos in Northern Quebec? We should like the minister to tell us who has jurisdiction over Eskimo affairs in that part of Canada, namely in Northern Quebec.

A lot has been said about national parks these past few hours. Under that item, the department will spend this year $13,551,000. A number of national parks are listed from all parts of western and eastern Canada: Banff, Elk, Jasper, Kootenay, Revelstoke and Glacier; Prince Albert, Mount Riding, Waterton Lakes, Yoho. But there is hardly any mention of expenditures for another park, although it does come under jurisdiction of the federal government, I mean the Gatineau park in the Ottawa area.

I appreciate the fact that the department has already spent large amounts on the development of Gatineau park to accommodate tourists, but there are in the Gatineau, as most hon. members who have visited the area know, unlimited possibilities.

The population of the Ottawa-Hull area is almost as large as the population of Saskatchewan, that of Alberta or of the Maritime provinces taken together. This park contains beautiful lakes which should get more attention from federal authorities. I point out to the Minister of Northern Affairs and National Resources that his department should pay more attention to the Gatineau park and develop more facilities there for tourists who come not only from Ottawa and the area, from eastern and western Canada, but also from the United States.

If the department can spend $13.5 million on national parks, it seems to me it would be possible to take part of that amount or increase it, if the minister decides to do so and the cabinet agrees, in order to improve the Gatineau park.

In another field, the minister is doubtless aware of a plan put forward by a Sudbury engineer, Mr. Kierans. This engineer established a realistic plan to feed the great lakes from James Bay, Hudson Bay and the Arctic Ocean through the Harricanaw river crossing Chapleau riding and part of Villeneuve riding, to raise the levels of the great lakes. This is a vast project involving hundreds of millions of dollars, but the minister surely knows that the United States has to raise the level of lake Michigan for instance, on the shores of which stands the great city of Chicago.

It would certainly be to Canada's advantage to make a thorough study of the project conceived by Mr. Kierans, the engineer, which, if it were carried out, would provide for a wonderful development all along the Harricanaw river and even along James Bay, into which this river empties. Then, it seems to me, Canada could export that water to the great lakes and the United States, while helping those Canadian cities which, at the present time, are complaining about the fact the water level of the great lakes is getting lower and lower each year.

Mr. Chairman, those were the few remarks I had to make and I hope that item 1 will be passed right away.

• (10:40 p.m.)

[*English*]

Mr. Olson: Mr. Chairman, I will be very brief. This arises out of a statement made by the minister the day before yesterday, which appears in a sentence on the right hand column at page 1948 of *Hansard*. This is a part of what he said:

> ...I shall later, but I thought it was an unusual brief because I find that with respect to the total park space in the provinces, combined federal and provincial parks, the province of Alberta is in third position because it has not provided provincial parks to any degree whatsoever.

Mr. Chairman, that statement is not only wrong, it is unfair and a callous and arrogant disregard for the viewpoint of the administration of the province of Alberta. The minister knows very well that all the Rocky Mountain area along the continental divide in Alberta is national park area, except for a very small piece in the Crowsnest Pass. How in the name of common sense can we have provincial parks where there already are federal parks? That statement is wrong because there is more national park area in the province of Alberta than in all the rest of Canada put together. I intended to get the exact figure, but I think there are more than 60 provincial parks in Alberta. There are five provincial parks in my own riding and that is not unusual in respect of other ridings. That same pattern is followed from the United States border to well north of Edmonton.

Mr. Chairman, the minister's statement is one of the most unfair and incorrect that have been made in this house. Let me suggest to him that this is not the kind of attitude the government and the people of Alberta expect

from federal cabinet ministers, if there is going to be any kind of co-operation in evolving policies in respect of national parks which will be satisfactory to the people of Alberta.

I could say a great deal more on this subject but I will leave my remarks at that, because of the pressure of time.

Mr. Laing: Mr. Chairman, I must answer those remarks at once. The hon. member by his own words has confirmed what I said as recorded on the page from which he quoted. He pointed out that 60 per cent of national park acreage in Canada is located in the province of Alberta. What I said was that the combined area of national-provincial parks in the province of Alberta was only in third place, notwithstanding the fact that 60 per cent of national parklands are in Alberta. The point is that Alberta has given very little attention to the establishment of provincial parks. That is all I said.

Mr. Olson: That is the statement to which I took exception.

Mr. Laing: If that sort of factual statement on my part justifies the type of language used by the hon. member toward me I regret it very much indeed.

Mr. Olson: That is exactly the statement I objected to. The minister claims that the province of Alberta, and I use his own words:

—has not provided provincial parks to any degree whatsoever.

He was referring to the province of Alberta.

Mr. Laing: That is absolutely correct.

Mr. Olson: That is absolutely not the case. As I said to the minister a few minutes ago, there are more than 60 provincial parks in Alberta. There are five in my riding alone and that is not unusual. On the contrary, that is the pattern right across the southern half of Alberta. In fact, in so far as there is any density of population, these parks extend to somewhere north of Edmonton.

Mr. Chairman, I should like again to state that it is impossible for the provincial government to establish provincial parks when the federal government has all this so-called wilderness area where the topography is suitable for parks. In my opinion, and in the opinion of most of the citizens of Alberta, Alberta has made good use of the land which is suitable for parks and which is not already a part of national parks. When the minister says that the province has not provided any provincial parks to any degree whatsoever he is simply not being very careful with the facts.

Item agreed to.

• (10:50 p.m.)

National Parks—

15. Administration, operation and maintenance including wildlife resources conservation and development, administration of the Migratory Birds Convention Act and payments to land owners who maintain migratory bird habitat in accordance with agreements entered into on terms and conditions approved by the Governor in Council, payment to the National Battlefields Commission for the purposes and subject to the provisions of an Act respecting the National Battlefields at Quebec and grants as detailed in the estimates, $13,551,000.

Mr. Loney: Mr. Chairman, before vote 15 is carried I should like to put a question to the Minister of Northern Affairs and National Resources. My question deals with historic sites. In order that the minister will realize the significance of the question I wish to review briefly to my correspondence with the department. While my question is directed to the minister and, as I have said, concerns historic sites, I would point out that the correspondence dates back to August 21, 1963, and was directed at that time to Mr. W. F. Whitman, General Manager of the Real Estate Branch, Department of Transport. At that date I inquired as to the future usage of the lighthouse site at Point Clarke in the county of Bruce. On September 3, 1963, my letter was acknowledged and I was provided with this information:

The lightstation has now been converted to an automatic light thus making the lightkeeper's dwelling and the 2.13 acres of land and land covered by water forming the site, surplus to departmental requirements.

A number of people have shown interest in acquiring this property as well as the National Historic Sites Division of the Department of Northern Affairs and National Resources and no action will be taken towards the disposal of this property until we hear from that department as to whether or not this site is required as a national historic site.

The letter closes by saying:

Should it develop that this land is not required as an historic site, then in keeping with departmental policy, as a number of parties have shown interest in the property, we will arrange to have it advertised for sale by public tender.

That letter is signed by the minister of the department, George J. McIlraith. In November of 1963 I made representation on behalf of the Bruce County Historical Association to learn what had happened with regard to the possibility of this property being put up for sale and disposed of, being

aware of the fact that the department thought it could possibly be acquired as an historic site. This representation was acknowledged on December 10, 1963. At that time I inquired into this matter on behalf of the society and was provided with information concerning the structure of the lighthouse. To show the significance of this historic site I wish to quote this paragraph:

> Unfortunately no plans or detailed descriptions are available since the structure was erected in 1859. However, we are able to inform you that it has a masonry exterior and is 35′ × 22′ × 12′ high to the eaves.

On August 13, 1964, I again inquired of the minister what decision had been reached relative to the disposal of the department's holding at Point Clarke. On August 18 my correspondence was acknowledged and the minister stated:

> As previously mentioned to you, the Department of Northern Affairs and National Resources has indicated an interest in this property for a national historic site, and I am now informed that we are still awaiting a reply from that department before a decision can be reached. You may rest assured that we will keep you posted on any future developments.

On September 30, 1964, in answer to a question which I placed on the order paper I received this reply:

> The Historic Sites and Monuments Board of Canada has been asked to study this matter at its next meeting to be held this October. After the Board has presented its recommendations on the historical and architectural significance of the Point Clarke lighthouse, the minister will be in a position to reach the decision.

That was September 30, 1964, and I still have not received the decision.

On February 17, 1965, I placed this question on the order paper:

> Did the Department of Northern Affairs and National Resources arrive at a decision regarding the acquisition of the Point Clarke light site for a national historic site when the historic sites and monuments board met in October?

The minister replied as follows:

> The historic sites and monuments board of Canada have not made any recommendations with respect to the Point Clarke light site.

Since we are now into 1966, Mr. Chairman, I should like to ask the minister once again if a decision will soon be handed down?

Mr. Thompson: There are two comments I have to make under this item, one of which is related to general policy of the present government in relation to national parks. I just fail to understand the arrogance and determination—there are no other words to use—of the government to impose upon the people who live in these parks a policy which does not make sense, rhyme or reason to me as well as a lot of other people. The type of answer we have had here tonight, is indicative of this. The only thing we can say is that the minister is determined to completely end the existence of his party in the province of Alberta, because this is exactly what is going to take place. It is not just those who belong to the political party to which I belong, but the members of his own party and the citizens of the province of Alberta as a whole, who feel this way. The claim of the administration that they are retaining the wilderness of Canada for the good of the citizens of Canada is something we all accept and recognize as being correct.

But the park area should be developed in a logical way not only for wilderness beauty, and to deny such development is something that does not make sense. All of us who know Switzerland realize that the beauty of Switzerland has been enhanced by the development that has taken place in that country. As long as we have the natural beauty that we have in our own lofty mountain areas, anything less than the development of all aspects of them would be sheer folly. To separate, shall I say, the sport of skiing and other seasonal sports that quite logically fits within the natural setting of the mountainous area we have, is to deny the recreational facilities that are second to none in the entire world.

The attitude in regard to the proposed establishment of the winter Olympics in 1972 is indicative of a shortsighted, narrow minded policy. There is the main line of the Canadian Pacific Railway going through Banff national park and the Canadian National going through Jasper. There is No. 1 highway going up the centre of Banff park and also an important highway going through Jasper. There is no reason why there cannot be an area on both sides of the highway and railroad reserved for commercial development, thus giving the people who live within the townsites confidence that we will adopt a system which will allow those who live in the area to serve the tourists and other essential services.

There is no reason why facilities cannot be developed for recreation in the summer and recreation in the winter. There is no reason why the hundreds of square miles of wilderness cannot be preserved in its natural beauty for other types of recreation that attracts

so many tourists to the area. It seems to me that any logical park policy has to be adapted to three purposes, so far as the Rocky Mountain parks are concerned. First of all, the rights of the citizens who live within the park to service the facilities within the park, cannot be denied. These Canadian citizens earn a living that way. They are not just a lot of promoters and money makers either. They are Canadian citizens with just as much right to make a living in this part of Canada as anybody in any other part of the country. So let us be logical and give them an area where the commercial development which is required in parks can be situated. Let us provide facilities for sport and general recreation which is required by the Canadian people, and at the same time let us preserve the natural beauty of our wilderness areas. We not only can provide the type of recreation and sport facilities and essential business operations which are necessary, but we can enhance the beauty of our parks as well if we act properly.

• (11:00 p.m.)

I will be saying more about this in the estimates for next year, but I do want to bring to the attention of the minister just one example of administrative inefficiency which does take place sometimes in our parks. Rather than speak on the matter myself I should like to quote a letter which condenses the particular problem much more adequately than I could express it. It is written by the pilot of aircraft CF-NTS who, on February 26, had occasion to fly into the Banff townsite expecting to land at the airstrip there which is adjacent to the town, bringing with him certain personages on a charter flight. He says:

> Before making the flight I checked with the Department of Transport and they were unable to give me any information as to the runway and its condition. I then placed a telephone call to the Parks Department number given to me by the Department of Transport and there was no answer, so I then telephoned the R.C.M. Police in Banff, and they informed me that the strip was plowed, but only to a width of 45 feet and 1500 feet long. I, therefore, took off on this flight with three passengers on board, and before landing I flew down low over the strip and from my observation it looked safe to land. Upon landing I found that the strip had only been plowed to approximately 20 feet, and that on the right hand side of the strip there was a ridge of snow approximately 3 feet high. I further wish to state that at the end of the supposedly plowed runway, there was an airplane stuck in the snow, and that evening some seven of us pushed it out and it was taxied into a little small alcove near the trees. At this time I observed approximately half of the runway had been plowed, and the other half just partially plowed. I deemed this strip so dangerous that I had my passengers get a U-Drive and drive into Calgary. I was lucky enough by the grace of God to get off this strip by myself after dropping my three passengers, their baggage, and everything in the airplane that could be taken loose.

Is this the kind of service which is rendered by our national parks in servicing an essential airstrip, essential both at this time of the year as well as in summer. It seems to me that something better than this should be given those who wish to use this type of facility, certainly better than appears to be the case here. I trust that the minister will investigate this matter and see that something similar does not happen again.

Mr. Loney: Mr. Chairman, I wonder whether the minister would assure me that immediate consideration will be given to the question I put. I also have a similar file on a property of the department at the Griffiths Island lightsite.

I do not wish to hold up the estimates but I should like the assurance of the minister that he will meet with me and discuss this matter.

Mr. Laing: Mr. Chairman, I regret very much to hear from the hon. member that I have written him such a large number of indecisive letters. I will look at this question first thing in the morning and will try not to write him any more indecisive letters.

Item agreed to.

Northern administration—

45. Administration, operation and maintenance, including grants and contributions as detailed in the estimates, authority to make recoverable advances for services performed on behalf of the government of the Northwest Territories and the 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 where alternative local sources of supply are not available and to authorize the Minister of Northern Affairs and National Resources to provide in respect of Eskimo commercial activities for the instruction and supervision of Eskimos, the furnishing of materials, the purchase of finished goods and, notwithstanding any other Act, the sale of such finished goods, $27,008,700.

Mr. Peters: Mr. Chairman, I have looked at the details of this item, and I am interested in the $27 million which is being spent on Eskimo commercial activities for the instruction and supervision of Eskimos, the furnishing of materials, the purchase of finished goods and, notwithstanding any other act, the sale of such finished goods.

Some time ago we had an opportunity to speak on this matter in connection with Eskimo handicrafts, and I was pleased at that time that the minister was willing to work toward the establishment of a copyright for native handicrafts in Canada. That gives some Canadian distinction, apart from the merits that such things are sold as native handicrafts.

While I do not want to ask the minister about what has been done and how extensive this is, I am as concerned as he is with problems that came out of the meeting one or two years ago when a meeting was held with some officials of northern affairs with respect to the problem of the development of the east shore of Hudson Bay, with relation to the control and monopoly of many of the activities of Eskimos by the Hudson Bay Company. The charges made at that time that the Department of Northern Affairs was really not acting on behalf of the Eskimos but was acting as a buffer between the Hudson Bay agents and the Eskimo population bothered me, because it seemed that the result was that the Eskimo got low prices for handicraft which was sold for much higher prices, and the middleman got all the profit.

With respect to Indians, the situation in my area, where there are not many, is that they do produce a small volume of goods. In northern Ontario I know that there are instances were a municipality has made a contribution which has resulted in a much more formal development of this handicraft business. In Quebec, close to my area, there is a fairly large Indian reservation making and selling merchandise, mainly outside the tourist industry. This is a fairly haphazard type of occupation. The Indian does not get much by it; the people who buy it pay more than it is worth.

I should like to ask the minister this question: How successful has the minister been in the establishment of a copyright for Indian and Eskimo handicrafts? How successful has been the operation of policing this type of designation. Second, is the department in a position to offer assistance to Indians in a similar manner to that in which it is offered to Eskimos?

• (11:10 p.m.)

Personally I am very pleased that the department has taken this interest in the handicrafts of the Indian and Eskimo population, which have benefited them in some areas considerably. I think it has done something for the market in other parts of the country as well. This is a worth-while effort. It has created between the Department of Northern Affairs and the Eskimo an atmosphere which has long been desirable. Many more Eskimos than formerly are now well disposed toward the department. An acquaintance of mine from northern Quebec tells me that if a vote were taken now they would be in favour of the "big government" rather than the "little government". I know the minister would regard this as an accomplishment.

I realize it would be more difficult to carry on a program of this kind among the Indian population because so many of the Indians are working in other industries as well. However, in the area I have in mind a great deal of this industry is of the cottage type. I hope therefore that the minister will give some consideration to extending this scheme to the Indian population in borderline areas where they might be able to profit from it.

When the estimates of the department next come before us I hope we shall see in the details a better estimation of the work the department has done, work which I believe has been successful and for which it should be given full credit.

Mr. Laing: I think the hon. member's intervention is worthy of a reply. We were successful with respect to the Eskimo carvings. We took time by the forelock. It will not be so easy in the case of Indian work, but we intend to try. Some of these Eskimo carvings were put in the name of the Queen so that should imitations arrive in this country it might be a matter for the Secretary of State for External Affairs to deal with. It will not be so easy in the case of Indian work, but we certainly intend to make an investigation to see whether we can provide some protection and set a standard whereby Canadian buyers will know they are buying the genuine article. We shall do as much as we can to support this effort.

Item agreed to.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Indian affairs—

15. 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 to authorize the Minister of Citizenship and Immigration 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, $60,261,600.

Mr. Barnett: As all members of the committee realize, this particular item appears in an unusual position. It is listed under the estimates of the Department of Citizenship and Immigration. Perhaps for that very reason it should not go unnoticed. Though I do not intend to speak at any length on this matter, let me say that this administrative change to another area of the operations of the federal government may in the long run prove to have been a valuable move.

One of the results would be that the whole situation in respect of the Indian people in the country will receive an increased measure of attention in line with what I think has been a dream not only on the part of the government but on the part of parliament. I would have liked to make several speeches on this particular question; but tonight I wish to deal only with one which, in my view, raises some of the more fundamental issues with regard to the Indian people in Canada, and that is whether we of European ancestry are going to be able to hold up our heads before them.

This question, so far as I am concerned, relates to what is going to happen on a matter that was the subject which brought about the introduction of several bills in the recent period of parliamentary activity. On December 14, 1963 the then Minister of Citizenship and Immigration introduced Bill C-130, An Act to provide for the Disposition of Indian claims. As members of the committee will recall this bill had its genesis in the joint committee on Indian affairs which brought out a report in 1961; but Bill C-130 after a preliminary stage in the house, was circulated widely throughout the country, and then on June 21, 1965 we had a successor bill, Bill C-123, which was to have been referred for consideration last fall to a special committee for detailed consideration.

At this time arrangements were under way for the appearance of Indian people and others before that committee, until the bill, along with a number of other things, came to an untimely end with the dissolution of parliament. I might also draw the attention of the committee again to the fact that in addition to the bills introduced on the government side, to which I have referred, there was in 1963 Bill C-67, entitled An Act Respecting the Canada Court of Indians Claims, introduced by my colleague the hon. member for Skeena. When we left here last fall for the recess, those of us who had been following this matter fully expected that this would be immediately the subject of a great deal of discussion and consideration in the special committee. We hoped that out of that would come changes in the bill, as it was introduced, in line with the thinking of the Indian people which would bring us near to what might be termed a complete solution of the ancient wrongs that were done to the Indian people, so far as it was humanly possible that it be done.

As we all know that bill died. Now, I would like to refresh the minister's attention and refer to a question which the member for Skeena asked him on February 14. This is found on page 1157 of *Hansard*. The hon. member said:

> Mr. Speaker, I wish to direct a question to the Minister of Northern Affairs and National Resources. When may we expect the introduction in the house of a bill regarding the Indian claims commission? When the minister answers that question perhaps he might also indicate whether that bill has been delayed up to now by revision of any previous bill.

The minister will recall that he replied in these terms:

> Mr. Speaker, the delay that has eventuated has had more than one cause. It has come from the quarters with which my hon. friend and myself are familiar, namely, the province of British Columbia, where the Indian people seem to prefer to take a concentrated second look before proceeding.
>
> • (11:20 p.m.)
>
> Some Indians of British Columbia indicated they would prefer to consider their particular position in negotiation prior to introduction of the bill. I have told the legal adviser of the Indians in the province of British Columbia that I am prepared to discuss with them this subject, and I have had a preliminary meeting with him, before any action is taken.

Mr. Chairman, I think the answer the minister gave to the house on February 14 re-opened this whole matter in several very important respects. It particularly re-opened the question as far as the Indian people of British Columbia are concerned, but it also leaves unanswered what the minister may have in mind as far as the Indian people in the rest of Canada are concerned in relation to the proposals that were put forward in the

government bill that went down the drain when parliament was dissolved.

I realize that the minister was limited because this question was asked on orders of the day, but I think it is important, now that we have the estimates of the Indian affairs branch before us, for the minister to take this opportunity to expand somewhat on the brief preliminary statement he made in answer to that question which itself raised some very important and fundamental questions as to what he has in mind. I hope the minister will give a somewhat expanded statement and that it will be one which will be, shall I say, encouraging as far as I am concerned.

I might just remind the minister before he replies that some of us recall an attempt made in 1927 to settle this whole Indian question by a special Indian grant of $100,000 per year in lieu of treaty money, as it is often described, to the Indians of British Columbia. I mention that fact because I am hopeful that when the minister talks about negotiating with the Indian people of British Columbia in respect of the Indian land question and its settlement, in a broader context than was set out in the Indian claims bill, he is not thinking in terms of the kind of settlement that was made in 1927.

Mr. Bell (Carleton): Mr. Chairman, there is no item in the estimates which deserves more detailed study than this dealing with Indian affairs and that is why it is a particular hardship to discard a carefully prepared speech. I want to mention only three things, sir. We expect early action during this session for the establishment of an Indian claims commission. We expect immediate action in respect of a complete revision of the Indian Act and an end to the stalling with respect to pigeonholing of the report of the joint committee of the Senate and House of Commons on Indian affairs. We expect that the estimates of the department will be referred to the standing committee, and referred as soon as possible for study.

The year 1967 is the centennial of confederation, but that is a mere incident in the long history of the Indian people of this country. Let us, who are the inheritors of this great nation, plan now to assure that the year 1967 will be the year in which the ancient rights of the Indian people will be safeguarded and extended so that the Indian people can be given new opportunities and take new pride in this their native land.

Mr. Peters: Mr. Chairman, I also intend to be very brief in my remarks on this item. I believe that here in Ontario we are having a great deal of difficulty in respect of Indian problems. This situation has been brought to the attention of the public through television programs emanating from the Rainy River-Kenora area in the last few months.

I wonder if the minister when he replies would be willing to tell the committee the details of the arrangement he has made with the province of Ontario in relation to these welfare payments, whether this is a general program upon which the department has embarked, whether they have turned the responsibility for welfare completely over to the provincial governments, and what arrangement is made between the provinces and the federal government for the payment of welfare.

I notice that under the grants item the cash payments to Indians have risen considerably. I remember the remarks of the hon. member of a few years ago, the late Mr. Hardie, when speaking of the hardship that was worked on the Indians and the very small amount of money being paid to them in many parts of the country. If the grants were doubled, tripled or made even higher than that these people could still not afford to maintain a decent standard of living.

We have a responsibility, as the hon. member for Carleton has said, to solve these problems that have been facing us for a long time. I believe there is general agreement that there will not be much difficulty in establishing the Indian Claims Commission. During the election campaign I heard many candidates speaking of this commission as though it were an established fact and I heard many government members indicating that this was already part of the status quo. If this is true, I suppose there really is no objection to it. But we are interested in this question, and if the minister does not want to give us the information now perhaps he would send it to me. I should like to know the details of the agreement that has been worked out with the province of Ontario to solve the problem that has arisen in parts of that province and which has resulted in a change in the method of handling welfare payments.

The reason for my concern is not that the Indian will not be better off under the Ontario welfare scheme than he was under the federal government scheme, because I think it is a fact that he will be better off. He will probably be twice or three times as well off under the provincial scheme. But I believe

we should not slough off all the problems that arise in relation to our Indians by thinking that integration can cure them. Integration is not what the Indian wants. Many Indian people have now received enough education to know they have a heritage that should be protected. Hon. members will have noticed from some of the magazine articles written recently about Indians that the Indians themselves are now doing something about their problems. This attitude has not been very apparent for many years.

If the federal government gives up responsibility in this whole field, it seems to me that while it may produce a financial gain at this time, in the end it will probably eliminate the ethnic background of the Indian peoples by reason of their integration. I do not believe that is in our interest or in the interest of the Indian. It is all well and good to have claims settled in regard to treaties that existed and were signed many years ago, although these claims should have been settled a long time ago; but there are other parts of the country where the Indians did not have signed treaties and no formal arrangement was made. In this field the federal government must maintain some type of support for the Indian.

I should also like to hear from the minister about the negotiations with the province of Quebec with regard to the Indian situation in that province. I should like to know what has been done in Quebec and, again, what is the over-all intention of the government with regard to the question of Indian problems and Indian claims.

An hon. Member: Filibuster.

Mr. Peters: I had intended to sit down, Mr. Chairman, but somebody said "filibuster" so I shall probably go on for another 15 or 20 minutes. We have a very interesting problem in connection with our Indians and it generates a great deal of enthusiasm if one puts his mind to it.

An hon. Member: You forget there are other people in this house.

Mr. Peters: Mr. Chairman, they wanted to stay, they are staying, so they might as well listen. I have no intention of passing this item without giving it consideration. If they don't like it, that is just too bad; it couldn't interest me less.

Mr. Fairweather: That is absolutely appropriate; it couldn't interest you less. The only thing that does is the sound of your own voice.

[Mr. Peters.]

Mr. Peters: If you wish to make a speech, stand up and make it.

Mr. Fairweather: I have some self-discipline.

• (11:30 p.m.)

Mr. Peters: Exercise it, then; you certainly do not appear to be.

I do not intend to ask the minister to give an explanation now. There are many parts of Ontario that are very concerned with the problem that has only come to the attention of many people recently. I think the minister should be in a position to provide information concerning the intention of his department. Fundamentally the province may have jurisdiction in the social field, but we hope that the federal government will remain in the ethnic field to protect the Indians themselves. I leave it to the discretion of the Minister as to how he will provide this information.

The Chairman: Shall item 15 carry?

Mr. Barnett: I have no desire to make another speech but I rather hoped to hear from the minister on the questions I raised with him. Perhaps other members may wish him to deal with questions they raised.

Mr. Laing: So that the hon. member does not have to make a third speech, I will deal with his question now. He asked what the situation was with regard to the Indians in British Columbia who had suggested to us, through their lawyer, that we should not proceed at the present time with the Indian claims bill but should first of all dispose of the B.C. land question. They are anxious that we proceed to do that first before introducing the bill. I told them, and their lawyer, I would be prepared to wait two or three weeks to see them and hear their proposals because they said they thought they could possibly negotiate the matter in a day or two. I did ask the lawyer how many of the Indians of British Columbia he thought he could definitely say he represented. He said he did not think it would be over 50 per cent.

However, they are anxious to dispose of the so-called British Columbia land question before proceeding to the claims bill. Since a considerable number of Indians live in British Columbia, I thought there would be little harm done in giving their legal counsel two or three weeks to discuss the matter.

Mr. Barnett: Did the representations the minister receive indicate that at least a substantial number of Indians in British Columbia felt the bill simply did not embrace

within it the mechanism for dealing with the Indian land question of British Columbia?

Mr. Laing: As my hon. friend knows, the Indians there think they could not get proper redress unless the provincial crown was involved. Of course, this house cannot act in such a manner; we can deal only with the responsibilities of the federal crown. The history of the coming of the white man into British Columbia has resulted in the Indian contention that the treaties that should have been made and lands which should have been set aside after the province entered confederation were not done. This deprived them of their historic rights and this is the B.C. land question which they want to discuss first.

Item agreed to.

The Chairman: This completes the estimates of the Department of Northern Affairs and National Resources. The committee will now proceed to a discussion of the estimates of the Department of Labour.

DEPARTMENT OF LABOUR

1. General Administration, including grants as detailed in the estimates; the expenses of the international labour conferences; the promotion of labour-management co-operation; the promotion of a program for the employment of the older worker; the promotion of programs for combatting seasonal unemployment; the organization and use of workers for farming and related industries; and the manpower consultative service, $4,833,500.

Mr. Knowles: Mr. Chairman, like the hon. member for Carleton who had a full dress speech ready on the subject of Indian affairs but was willing and able to compress it into a few remarks, I had planned a full speech on the first item of the Department of Labour but I, too, will shorten it. I wish I could copy the hon. member for Carleton in one further respect. I wish I could say that we expect certain things from the Department of Labour in this session with the kind of confidence which I thought he exuded. My fear, from the experience we have had with the Department of Labour under this government, is that we cannot hopefully expect very much in so short a period of time.

Let me remind the present Minister of Labour, whom I congratulate on his appointment to this important post, that this is the fourth session of parliament since the present Liberal government was elected in 1963. There were three sessions in the last parliament, so that this is the fourth session since this government came into office.

In the session immediately before the present government came into office the Liberals, who were then in opposition, featured very strongly in debates on labour matters. They supported all the progressive proposals that were put forward. They also put forward a number themselves. They led us to believe that if only they could get over on the other side of the house we would get all this progressive labour legislation. They promised it in the election campaign of 1963, and of course they did not have to work very hard to put those promises together because they had had them ready since 1919.

In the first session of the last parliament, which was the first session after this government came into office, we were assured that early action would be taken on all the elements of a labour standards code; also of a labour safety code; that there would be legislation amending the Fair Wages and Hours of Labour Act to bring employees who come under that legislation under the same protection provided under the other labour legislation; that there would be a revamping of the Unemployment Insurance Act; and that there would be a study in depth and the consequent amendments of the Industrial Relations and Disputes Investigation Act.

In November 1962, when the new government had been in office only a short while—

Mr. Munro: We were not in office in 1962.

Mr. Knowles: I am sorry, 1963; I thank my hon. friend from Hamilton for that correction.

In November 1963, just a few months after the government came into power, we were assured that action would be taken on all these matters I have listed.

In the second session of that parliament we did get action on the labour code, at least the standards part of it. I would remind the minister that at the beginning of that session we were assured that we would get both the labour standards code and the labour safety code that session. We were also assured that the Fair Wages and Hours of Labour Act would be amended so that the effective date of the amendments to that act would correspond with the effective date of the labour code.

Well, Mr. Chairman, we did not get the labour safety code in that session, and we did not get it in the following session. Neither did we get the Fair Wages and Hours of Labour Act. We did not get it in time so that its provisions would be effective at the same

time the provisions of the Canada Labour (Standards) Code were to begin.

Today people are working on contracts coming under federal labour jurisdiction who do not get even the minimum wage provided in the Canada Labour (Standards) Code; their protection is only that afforded by the Fair Wages and Hours of Labour Act as it now stands. The previous minister was categorical in his promise that a way would be found to make sure that the protection afforded in the Fair Wages and Hours of Labour Act would be the same as that provided in the Canada Labour (Standards) Code, and that it would be effective on the same date. This has not been the case.

The minister will say that the bill to amend the Fair Wages and Hours of Labour Act is now on the order paper, and I am glad to see it there. But its being on the order paper does not give the benefit of its protection to those who come under it We still have nothing at all before us with regard to overhauling the Unemployment Insurance Act. We still have heard nothing at all with regard to the study in depth being made of the Industrial Relations and Disputes Investigation Act.

I suggest to the present Minister of Labour that the record of the Liberal party and the Liberal government in these matters is not good. It has created an image that the Liberal party is for labour. But I suggest that this is a myth which is readily exploded when one looks at the things which have been promised and at the slow process of implementing those promises. As I say, I wish I could make my speech with the kind of confidence displayed by the hon. member for Carleton. Perhaps I should give the new minister a bit of a chance. The last minister was Minister of Labour for three sessions, and he put through only one piece of legislation. I hope that the unfinished business of the last parliament—the labour safety code, the amendments to the Fair Wages and Hours of Labour Act, the amendments to the Unemployment Insurance Act and the amendments to the Industrial Relations and Disputes Investigation Act—will be accomplished at this session. I suggest that nothing less than this program is worthy of the present Minister of Labour.

• (11:40 p.m.)

Mr. Lewis: Mr. Chairman, I will not take more than a minute or two to draw something to the attention of the committee, which has to do with the Canada Labour (Standards) Code. I want to point out to the members of the committee that, while that statute is on the statute books, as far as I can see the effect is that not a single, or almost not a single employee coming within federal jurisdiction who has not already got the 40 hour week under a collective agreement, or a wage higher than the minimum one provided under the labour code, is getting any benefit under that code. A question is on the order paper asking the ministry to provide the names of industries which have asked for deferment. That has not yet been answered.

Someone took the trouble to help me go through the *Canada Gazette*. Almost every major organization, such as the C.B.C., railways, trucking firms, air lines, and so on have asked for deferment with respect to section 11, which deals with the minimum $1.25 wage. This can go on for 18 months, and the minister can then give to those industries a deferment for another 18 months.

There is no reason in the world why the Department of Labour should not by now make up its mind, and why the minister should not make up his mind with respect to the applications listed in the numerous sheets of the *Canada Gazette* for deferment. There is no purpose to having a statute on the statute books if it is not being applied.

As I say, as I looked through the *Gazette* there were literally hundreds and hundreds of names of firms, who were simply asking that the minister should let them stand. There is no point in having a statute on the statute books, when in fact it is not being applied except in situations where employees have already won these things through collective bargaining and agreement. As I looked through the list of, literally, hundreds and hundreds of firms under various headings I was astounded that the minister should let this stand. He has made decisions in the case of flour and feed mills, if I remember correctly; in the case of grain elevators and so on—decisions on deferment of wage increases which I am sure he reached after careful consideration. I am not criticizing those decisions. But he has not made decisions involving highway transport, shipping firms, longshoremen, stevedores or the trucking firms in every province which have asked for one deferment or another, mainly of hours. In my submission the strike of trucking employees in this province might either not have taken place or would be greatly shortened had the minister made up his mind about the applications for deferments.

I do not want to belabour the point, but I think it is a great disappointment to all of us interested in these matters to find an act on the statute books which is being prevented from having its effect because of long delays on the part of both the present minister and the previous minister with regard to applications asking for decisions.

Mr. Régimbal: We had been looking forward to a long debate on manpower and labour, but considering the mood of the committee and the urgency of passing these estimates we shall restrict our remarks to the minimum. I will make these suggestions as rapidly as I can, so hon. members will not have to bear with me for more than six or seven minutes.

[*Translation*]

Mr. Chairman, I should like to begin by offering my heartiest congratulations to the future minister of manpower on his appointment to that post and we should not envy him the double task he has to face, that of getting used to his duties both as a member of the house and as a minister. We congratulate him also for having decided to devote his energy, his experience and his talent to public affairs and political activities which he has had the opportunity, as I had myself, in the past, to criticize sometimes bitterly, especially with respect to labour and social legislation.

We feel confident that the presence of an expert in industrial relations both in the Department of Manpower and in the Department of Labour, is liable to speed up the taking of concrete steps that will make possible a climate of understanding that both management and labour need on the part of the legislator to develop their sector in an atmosphere of security and industrial peace.

The first lesson which one learns in the field of industrial relations is to avoid long speeches and broad definitions of principles and to concentrate one's efforts on the application of these principles to actions and facts.

I shall try to observe these rules in my remarks, especially as the opposition is willing to co-operate fully so that we may finish examination of these estimates.

However, Mr. Chairman, allow me to point out that co-operation must be a two-way street, and that the debate has lasted until now because the ministers have either refused to answer legitimate questions such as the ones concerning the Department of National Defence, or taken advantage of the debate to make long speeches on all sorts of subjects, as Mr. Pickersgill did, or refused to consider seriously concrete suggestions which we know to be fair, as in the case of the Justice Department.

Mr. Chairman, I would also like to point out that the co-operation we show by limiting our remarks is a sacrifice that the members of the opposition are willing to make to get the government out of difficulty because it has been two years already since the estimates were considered last and since that is the time when a member can deal with local problems which interest his constituents. It is a real sacrifice.

Let us not forget that the estimates should have been considered last September and that it is because of the needless elections held in November—

The Deputy Chairman: Order. I am sorry to interrupt the hon. member but I think that his remarks should deal with the estimates of the Department of Labour.

Mr. Régimbal: In any case, Mr. Chairman, the elections delayed everything and that is why we now have to speed up the business of the house to get the government out of the embarrassing situation in which it placed itself. If there is any delay, the responsibility falls entirely on the Prime Minister—

The Deputy Chairman: Order. I am sorry to interrupt again the hon. member—

Mr. Régimbal: We will come back to that, Mr. Chairman.

The Deputy Chairman: Order. Would the hon. member resume his seat?

• (11:50 p.m.)

[*English*]

Mr. Nicholson: Mr. Chairman, on a point of order; I must say that I have listened with interest to the remarks of the hon. member, and in this instance I think that the matter to which he has been referring happens to be covered in the estimates of the Department of Labour. While the responsibilities have been transferred to the Department of Citizenship and Immigration, these matters still seem to come within the estimates of the Department of Labour.

[*Translation*]

Mr. Régimbal: Mr. Chairman, I feel it is important to remind the government, the pubic and the press of this truth which is too easily forgotten. It is all the more important because we will again be limited, in the next debate, to 30 days according to the amendment to standing orders.

In return, I feel we should be entitled to asking the various ministers to listen with particular care to the requests we might put to them directly—

The Deputy Chairman: Order. I am sorry to interrupt the hon. member, but this is the third time the Chair has to intervene. The hon. member is referring to various departments, various attitudes of the government; I feel he should speak specifically of the Labour Department.

Mr. Régimbal: Agreed, Mr. Chairman.

[*English*]

I should also state that in matters of labour and manpower there was a great disappointment concerning the labour department, in respect of unemployment insurance for full-time farm workers and increased training allowances. It is significant to note that not a single new project has been brought up. This is the reason we will follow the activities of the new manpower department with great interest and expectation. If nothing new comes up, it would appear that this government figures that all is well on the labour front. Let us take another look.

We hope that the government will not make the mistake which it made in the late 1940's and early 1950's in not relying on the unemployment commission funds for the onslaught of a recession. Now is the time to set up the projects and crash programs to see us through as difficult a period as we will have to face probably after the centennial year.

The government knows very well that when the Conservatives came in in 1957 they were left with run-down conditions, a sick economy, and a deficit trade balance. It was left to the Conservatives to pick up the pieces, and get the country going again with progressive legislation and programs. The previous government did not seem to have a worry in the world because of the unemployment insurance commission's funds. In next to no time the cupboard was bare, because the whole country was made to suffer while the savings effect of new legislation was able to bear fruit.

It is significant to point out that the only working plans which we have today came out of that era, and still remain as progressive as the day they were born under Conservative management. I refer, first to ARDA, second to the winter works programs, and third, to technical training assistance through vocational schools. These are the types of projects that the present government must set up now to keep our labour force moving.

What have we had for labour since 1963 except efforts to keep these plans alive? Nothing new. As a matter of fact the slowness which has been shown in forwarding payments for winter works projects very often has created problems for our smaller communities which have been prevented from undertaking new work in the summer season because their credit was blocked at the bank for failure to pay commitments on time. Might we suggest that this be avoided in the future by faster procedures.

The $500 building bonus we will not even mention, because this government more than washed it way by imposing an 11 per cent tax on building materials, which it still stubbornly refuses to remove; and I am sure the electors will remember a long time the fact that government members voted against our amendment on this subject. We suggest that the government consider our recommendation to the effect that they make city and school taxes deductible from taxable income up to $500, as a direct assistance to the home owner and wage earner.

Mr. Starr: Mr. Chairman, in case the Chair does not know what comes under the jurisdiction of the Minister of Labour let me suggest that the $500 bonus in respect of winter works does come within his jurisdiction.

The Deputy Chairman: Order, please. I was just making the observation to the hon. member for Argenteuil-Deux-Montagnes that in so far as possible he should relate his remarks to the Department of Labour.

Mr. Starr: That is what he was doing.

Mr. Régimbal: Mr. Chairman, I shall try to contain myself a little more but it is very hard to speak on one subject, cutting off completely the many ramifications which are interwoven. I will do my best but perhaps you will keep reminding me.

Small industries must be made to prosper in our outlying districts from coast to coast and the minister must bring all pressure to bear on the Department of Industry to help create and develop small industries, because there is little use in offering training programs if the workers have to abandon our small towns for lack of work.

Training is all well and good, but something must be done by the manpower department to stop the drain of high priced talent to the United States labour fields.

I should like to quote from the C.N.A. Review dated February 19, 1966 as follows; under the heading "Lost to Canada"

> What is the cost to Canada of the so-called 'brain drain'? Figures newly made available by United States authorities provide some indication.
>
> They show that in the two-year period June, 1963, to June, 1965, more than 100,000 Canadians emigrated to the U.S. Over half of these—50,709 out of 101,149—were wage or salary earners who entered the U.S. labour force.
>
> Among them were 1,765 engineers and scientists, 1,187 technicians, 163 industrial designers, 258 university professors, 820 physicians and surgeons, 725 accountants and auditors, 2,040 trained nurses and 2,610 managers, officials and proprietors.
>
> An underpopulated but growing country such as Canada can ill afford to lose its best educated and most highly skilled people at such a rate. We can't prevent them going, but we can improve the incentives to stay by appropriate changes in personal income tax rates, changes which would allow individuals in the middle-income groups to retain a larger share of their earnings than at present.

Do not cut me off yet. The last paragraph states:

> Such action has to come sooner or later and as can be seen there are compelling reasons why it should be sooner. Your move, Mr. Sharp.

I would add to that, incentives yes, but manpower policies too; trade crusades as well to keep our labour force abreast of changing times.

Your attention is called to the province of Quebec particularly where almost 50 per cent of our unemployed are located—75,000 out of 171,000 in November, 1965. You know as well as I that after the building rush for the Expo year is over we will be in deep trouble. So again I say now is the time to prepare for this situation.

Finally, a human note on the application of unemployment insurance policies. Most of the people who are unemployed know nothing about the law and very often make innocent incomplete statements which deprive them of their benefits. Many lawyers, and I might add, many M.P.'s who are lawyers, are doing quite well in interpreting the law for them at a cost, without, however, batting one thousand as far as setting the victims straight and as far as obtaining benefits is concerned. A corrective measure for this would be to instruct the local officials, who are very competent, mind you, to act as counsellors and arrange things so that at least a tie will go to the runner, especially where older workers are involved who have paid insurance for years and who are barred from benefits because they were not properly counselled when they made their applications.

[*Translation*]

Mr. Chairman, I cannot close my remarks without mentioning the pitiful state of the legislation governing civil servants. I hope the future minister of manpower (Mr. Marchand) will spare no effort to solve the problem and set up a system whereby collective bargaining for civil servants will be unquestionably recognized. He has never been too enthusiastic, I know, about reducing or limiting the right to strike.

The Quebec experience is showing what damage can result from a strike in this field. It will be very interesting to watch the outcome of disputes in months to come. I am sure that he does not feel too proud at the memory of the developments which led to the postal strike last summer. This was the first time in my 20 years of experience in industrial relations that I heard an employer boast about having settled a strike.

A strike is a state of bankruptcy, a recognition of failure, and it seems to me that the minister of the day would have had more satisfaction and justification if he had avoided the strike.

Finally, Mr. Chairman, we appeal to the Minister of Labour (Mr. Nicholson) and the minister of manpower to offer their services and their advice in order to avoid the disquieting conflict that seems in the offing between our main trade unions.

It is less important at this time to concern ourselves about provincial or federal jurisdictions than to anticipate and avoid trouble which could jeopardize the progress and the benefits acquired through so many years of efforts.

Mr. Chairman, as I say, we only touched upon these problems, but we look forward to coming back to them in a more precise and detailed way when we have more time at our disposal.

Mr. Chairman: Carried.

• (12:00 midnight)

[*English*]

Mr. Knowles: Mr. Chairman, has the minister anything to say on these questions, and in particular can he tell us his intentions with regard to legislation in this session?

Mr. Nicholson: Mr. Chairman, I will only take a moment or two. In view of the excellent co-operation that I have received in trying to expedite the passage of these estimates, I should like first to thank hon. members for the reminders they have given me of

things to be done. I agree entirely that there is no purpose in having an act, such as the Labour (Standards) Code if requests for deferment are to be permitted to defeat the real purpose of the act. I assure hon. members that it is my intention to do everything within my power and responsibilities to bring about the real purpose of the act that was passed last session.

I should also like to thank the first speaker and the last speaker for their comments and for their congratulations. I think that perhaps the last speaker intended some of his kind remarks for my colleague the Minister of Citizenship and Immigration. I would also point out that the hon. gentleman overlooked two additional items of legislation that were referred to in the Speech from the Throne. If he had heard the hon. member for Winnipeg North Centre speak earlier this evening, he would have heard that hon. gentleman mention the amendments to the Fair Wages and Hours of Labour Act and to the Safety Code, which were also mentioned in the Speech from the Throne. It is our intention to introduce this legislation as soon as the legislative program for this session makes it possible for us to do so.

Mr. Knowles: Mr. Chairman, will there be legislation this session with regard to amendments to the Unemployment Insurance Act and the Industrial Relations and Disputes Investigation Act?

Mr. Nicholson: The Speech from the Throne contains the assurance that the government intends to proceed with legislation amending or bringing up to date the Unemployment Insurance Act. The work is well advanced in connection with these proposed amendments. An interdepartmental committee has been studying this matter and I have been following their work very closely. If we continue to make the progress such as we are making tonight, I think I can give the assurance that we should be dealing with the amendments to the Unemployment Insurance Act very shortly.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I merely wish to ask one question so as not to delay the proceedings. We know that a problem has arisen, a dispute has flared up in the field of labour, since the C.N.T.U. asked to be recognized as bargaining agent for the C.B.C. employees in Montreal.

We have asked the Minister of Labour (Mr. Nicholson) many times for a statement in this connection. I know that he has now as a colleague, a former president of the C.N.T.U. who must have kept some of the convictions he had then. It is not merely a matter of union recognition. Indeed, I feel that the problem goes deeper than that.

If we do not take the opportunity afforded by the Department of Labour estimates, in spite of the time, it will be very difficult to obtain information on this matter. Some people promote the idea of a single labour union for the whole of Canada, including C.B.C. employees, C.N.R. workers and crown corporations workers. On the other hand, a large number of Quebec workers would prefer the C.N.T.U.

I want to uphold the cause of the workers who want to join C.N.T.U. I know that the future minister of Manpower, if he wanted to, could be a better spokesman than I. He has more experience than I have in this field and I know that he is quite familiar with the administration of the C.N.T.U. Even if he is a cabinet member, he should clearly state his position in this regard.

This is not only a fight between two unions. There is more than that. A large group of Quebec workers want to be represented by the C.N.T.U. rather than by an international union.

There is also the principle of the freedom of association. Some fought a long time—and they will know what I mean—to see that right recognized. The first right is that the worker must have the right to choose freely the association he wants to belong to.

If, most of the employees decide to belong to that union or that association and that afterwards the Canada Labour Relations Board prevent the certification of that union, then the principle and the right of freedom of association is denied.

The future Minister of Manpower must understand what I am saying now. Even if it is late—and that does not matter—there is a more important principle than the lateness of the debate to fight for.

I think that the Minister of Labour should make a statement about that, as well as the future Minister of Manpower, not later than tonight, because that problem has been pending for a long time. We must not wait until all the doors are closed, until everything is decided because then it will be too late to change the decisions taken.

I think that the decision or at least the recommendations of the Minister of Labour to the Canada Labour Relations Board can be

made before it is too late. Can the minister give us an answer?

[*English*]

Mr. Nicholson: Mr. Chairman, it would take considerable time to deal with the subject raised by the hon. member for Lapointe. I might say, that I have had more than one meeting with the union representatives and the union organizations that are involved in this dispute to which reference has been made. I have met with the C.N.T.U. officials twice; I have met with the C.L.C. and I have met with the Railway Brotherhood. They all have points of view to put forward. I can assure the hon. member for Lapointe that if he will agree to come to my office tomorrow I will give him a full outline of what has happened.

[*Translation*]

Mr. Grégoire: Mr. Chairman, could the future minister of manpower make a statement on this matter?

Now that we are considering the estimates of the Department of Labour for 1965-66, I feel it is important for the future minister of manpower to give us an idea of the action he intends to take in order to protect the rights of Quebec workers who want to be represented within the C.B.C. by a Canadian union, such as the C.L.U., instead of an international union.

I think the future minister of manpower should make his plans clearly known to us in this respect.

[*English*]

Mr. Nicholson: Mr. Chairman, with all due respect, the responsibility in this particular field still remains with the Minister of Labour. If the hon. member will come to see me tomorrow, I hope to be able to satisfy him of the soundness of the course we are following.

Mr. Grégoire: One question for the Minister of Labour: Has the minister of manpower made any representations to him concerning that problem?

Mr. Nicholson: In view of my oath as a Privy Councillor, if he had I could not tell you, Mr. Chairman.

Item agreed to.

Technical and vocational training assistance—

15. Payments to the provinces to carry out the purposes of the Technical and Vocational Training Assistance Act and agreements made thereunder and payments under agreements providing for the sharing of expenditures for research projects to provide information relating to vocational training and manpower requirements, $116,988,000.

Mr. Patterson: I wonder if the minister, under item 15, would give us a breakdown of the payments to the provinces to carry out the purposes of the Technical and Vocational Training Assistance Act? I am not asking for that information tonight, but perhaps the minister could let me have some information as soon as possible.

Mr. Nicholson: If my memory serves me correctly the information has been suppled in a recent answer to a question on the order paper. In any event, if it has not I assure the hon. member that he will get the information he has requested.

Item agreed to.

• (12:10 a.m.)

Annuities Act—

20. Administration and government's contribution to annuities agents pension account in accordance with regulations made pursuant to vote 181, Appropriation Act No. 5, 1961, $1,197,300.

Mr. Peters: Mr. Chairman, what are the arrangements in relation to annuities and grants in view of the Canada Pension Plan?

Mr. Nicholson: I cannot answer that without any officials here with me but I will undertake to write the hon. member and supply the information promptly.

Mr. Peters: It is my understanding that in some fields these annuities have been discontinued and the Canada Pension Plan substituted, with a certain amount of freezing of assets in the annuities branch.

Mr. Nicholson: There was a decline in the volume of government annuities in recent years, but I am happy to say that since rates for individual annuities and group annuities were improved in 1964 there has been a marked increase in annuity sales, up 135 per cent over the three previous years. This improved rate seems to have encouraged employers who may have discontinued plans to continue them.

I might also say that the advent of the Canada Pension Plan has removed to some extent the disadvantage of the $1,200 a year maximum, and it is expected that since the Canada Pension Plan is not intended to provide all of the retirement income which many Canadians may require, government annuities will be used for that purpose.

Mr. Peters: One final question. Is it the intention of the government to allow the withdrawal savings on the part of those who

wish to discontinue this form of retirement pension in expectation of a retirement pension under the Canada Pension Plan?

Mr. Nicholson: That matter is under study. I have had some discussion with my colleague the Minister of Finance, but I cannot give an answer tonight, and perhaps not for another day or two. I will do so at an early date.

Item agreed to.

The Deputy Chairman: This concludes the estimates of the Department of Labour.

The committee will now proceed with the estimates of the Department of Citizenship and Immigration.

Mr. Knowles: Twelve o'clock.

Mr. Bell (Carleton): We would be very glad to finish this department in 15 or 20 minutes.

Mr. Knowles: Twelve o'clock.

Mr. Starr: I think everyone on the opposition side was given the opportunity to participate in the discussion of the estimates since ten o'clock. Would it not be the wish of the members of the committee—I think we would agree on this side—to sit for another 45 minutes to get both departments through, Fisheries and Citizenship and Immigration?

Mr. Knowles: No. The staff of this house has to be back here at eleven o'clock this morning. We passed a motion to sit till 12 and it is now past twelve o'clock.

[*Translation*]

Mr. Grégoire: Mr. Chairman, the House leader for the Conservatives, the hon. member for Ontario (Mr. Starr) told us at 10.10 o'clock that he expected that consideration of the four departments including Citizenship and Immigration would be finished by midnight. It is now twelve fifteen and two departments remain.

It seems obvious that he has little to lead in the house and that he is not the one to rule our actions. When he says everything will be finished within an hour, his statement cannot be relied upon. Really, we cannot be expected to remain credulous all night long.

There is a saying that you can fool some of the people some of the time, but that you can't fool all the people all the time. This applies to the hon. member for Ontario.

[*English*]

Mr. Starr: I readily admit I have no control over the hon. member for Lapointe; indeed, no one has in this house. As I said before, all members have had ample opportunity to speak and debate has not been curtailed. It is nobody's fault that we have not got everything through. We have a good objective in mind, and if we sat for another 45 minutes we could pass two more departments.

Mr. Lewis: I am not questioning the sincerity of the hon. member for Ontario and I will not take up time by making a speech. I just repeat that as far as we are concerned it is twelve o'clock, and the hon. member for Ontario and any other member might just as well save his time. We are not going to be dragged on from 10 till 12, and then from 12 till one and from one to two. That is a child's game and we are not going to take part in it.

Mr. McIlraith: The original motion was that we should sit until twelve.

Mr. Lewis: That is right.

Mr. McIlraith: It is now twelve. Without unanimous consent we cannot go any further.

Mr. Lewis: Of course it is twelve.

The Deputy Chairman: Order, please. I understand that one hon. member has called it twelve o'clock.

Resolutions adopted in committee of supply this day reported and concurred in.

[*Translation*]

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, in view of the late hour, before you call for the motion to adjourn, I think it would be preferable as far as I am concerned to defer my question until next Monday night.

I think the hon. member for Verdun (Mr. Mackasey) also agrees in order not to give additional work to the official reporters.

If the member of the New Democratic Party agreed, this evening, we could adopt that attitude.

[*English*]

Mr. B. S. Mackasey (Verdun): In view of the desire of the New Democratic Party to get to bed early I would imagine they would be the first to agree to postpone their question until Monday night. I would agree provided they will agree. If they do not, I intend to go ahead.

• (12:20 a.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

LABOUR CONDITIONS—WINDSOR—PROSPECTIVE LAY-OFF OF FORD WORKERS

The Acting Speaker (Mr. Rinfret): The hon. member for Waterloo South.

Mr. Vincent: What about the staff? That is the N.D.P., look at them.

Mr. Max Saltsman (Waterloo South): On Monday I raised a question concerning lay-offs of Ford workers in Windsor. The minister replied he was looking into the matter, that he recognized the urgency of the situation and would inquire into it and answer on the following day. This, he did, and I should like to express my appreciation to him for having looked into the matter so quickly. However, the lay-offs are to begin tomorrow and this is why it is important to have an answer from the minister or from his parliamentary secretary tonight—so that we, and the workers in particular, may know how they stand in terms of these lay-offs and what success has attended the representations made by the minister on their behalf.

I think the importance of this matter goes beyond the case of these specific workers in the Ford Motor Company now threatened by lay-offs. It is important to find out the attitude of the government in relation to the Canada-U.S. agreement on automobiles. We in this party have not objected too violently to the program outlined by the Minister of Industry because we considered there was some merit in the proposals of the organized industry. Our chief concern has been the attitude which the Departments of Industry, Manpower and Labour would take when dislocation of employment became imminent.

It is important that a statement be made at this time not only in terms of what success the minister has had in his representations to the Ford Motor Company but also as an indication of what he intends to do in the future as these problems arise. A brief from union local 200 U.A.W. points out that Canadian tool work is being replaced by United States tool work and that almost 95 per cent of the tools and dies used are coming in from the United States, though we have sufficient workers and industrial facilities to produce them here in Canada.

This raises a larger problem. The automobile companies are already doing much of their research in the United States, as is perhaps understandable. But if they begin doing all their tool work in the United States and leave Canadian workers merely slapping fenders on cars when they go by on an assembly line, this has serious implications for Canada. We shall become primarily assemblers and many of our most skilled and talented people will be drawn off to the United States unless a policy decision is made.

I think it is important we should know there will be employment opportunities for young Canadians when they graduate from our schools and that our schools will not be used as training grounds to provide the United States with skilled tool and die workers because there are no opportunities in this country.

I appreciate the urgency with which the minister has approached this question and I hope a statement will be forthcoming tonight which would indicate he intends to make a serious effort to speak boldly to the automobile companies. When I asked the minister whether he could give the house an assurance that no lay-offs would take place while we were negotiating, he apologized and said he had no authority to give such an assurance.

If the minister does not possess this authority, I think he had better get the authority, because fundamentally we have to make a decision in respect of whether the minister is going to make this kind of determination about our labour force, about protecting our labour force and securing jobs for our labour force, or whether the Ford Motor Company is going to make it. I would prefer to see the minister make it on behalf of the Canadian people.

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, as I stated yesterday or the day before, we have sent two men to Windsor, one representing the Department of Industry and the other representing the Department of Manpower.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, on a point of order; the house entered upon the adjournment procedures here this evening, and I would call your attention to the fact that we no longer have a quorum in the house. Despite the wishes and desires of the New Democratic party to satisfy their concern about the staff of the house, we are carrying on with the discussion of a question they put before this house, without a quorum.

Mr. Saltsman: Mr. Speaker, I always have had a very high regard for the member who just spoke and I am glad to see how concerned he is about the staff of this building, but I am sure he must recognize that if it

were not for the urgency of the problem facing the workers in Windsor—

The Acting Speaker (Mr. Rinfret): Order, please. Will the hon. member resume his seat. I think it is recognized that at this time we do not count the number of members in the house.

Mr. Marchand: We sent two representatives, one from the Department of Industry and one from the Department of Manpower, to meet with the parties, make inquiries, and try to find a solution. Today I have received a brief report stating that those two persons will be able to make a preliminary report on the whole situation tomorrow. That is the information I received today.

On the other hand, I know that 15 men are supposed to be laid off tomorrow. That is the situation as I know it tonight. Now, when the hon. member said I should find the authority to intervene, I would like to know what kind of authority he has in mind. I know of no law that will authorize me to compel the Ford Motor Company of Canada to keep those men.

Of course we can intervene and we can exercise moral pressure on the Ford Motor Company of Canada. This is what we are trying to do. How successful we will be, we will see tomorrow. In this particular case, Mr. Speaker, I would like to make a statement. I think in those cases it is unjustifiable that an enterprise or union refuse to co-operate in order to avoid company lay-offs or the opportunity to look ahead so that an attempt can be made to place those men or arrange some settlement.

• (12:30 a.m.)

In this case I am not sure that the Ford Motor Company of Canada has co-operated with the union in order to solve this problem properly. Of course I must proceed with the instruments I have in my hands, just as the unions must proceed with the instruments they have in their hands, and that is why we must wait for the report of those two men. I hope I will have it tomorrow. If we can take some action I will be very happy to take it.

Mr. Mackasey: Mr. Speaker, D'Arcy McGee has been dead for 98 years. I do not think he would mind if I stood my question over until Monday night, provided the house will give me permission.

The Acting Speaker (Mr. Rinfret): Does the house give unanimous consent to the hon. member to stand his question over until Monday at ten o'clock?

[Mr. Saltsman.]

Some hon. Members: Agreed.

Motion agreed to and the house adjourned at 12.34 a.m.

[The following items were passed in Committee of Supply this day:]

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

A—Department—

Administration services—

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, $2,506,600.

5. Construction or acquisition of buildings, works, land and equipment including common use field survey equipment, $458,000.

5b. Construction or acquisition of buildings, works, land and equipment including common use field survey equipment, $215,000.

Field and air surveys, mapping and aeronautical charting—

10. Administration, operation and maintenance including purchases of air photography and the expenses of the interdepartmental committee on air surveys, 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, $7,779,200.

10b. Administration, operation and maintenance, $40,000.

Marine surveys and research—

15. Administration, operation and maintenance including Canada's fee for membership in the international hydrographic bureau, $7,771,000.

15d. Administration, operation and maintenance—To extend the purposes of mines and technical surveys vote 15 of the main estimates for 1965-66 to permit oceanographic and hydrographic ships to carry out work in extraterritorial waters during the fiscal years 1965-66 and 1966-67, notwithstanding the Department of Mines and Technical Surveys Act, $1.

20. Construction or acquisition of buildings, works, land and equipment, $3,560,000.

20b. Construction or acquisition of buildings, works, land and equipment, $179,000.

Geological Research—

25. Administration, operation and maintenance including 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 $150,000 for grants in aid of geological research in Canadian universities, $6,976,700.

30. Construction or acquisition of buildings, works, land and equipment, $754,000.

Mining and metallurgical investigations and research—

35. Administration, operation and maintenance including Canada's share of the cost of the Commonwealth committee on mineral processing and $50,000 for grants in aid of mining and mineral processing research in Canadian universities, $5,736,000.

35b. Administration, operation and maintenance, $49,000.

40. Construction or acquisition of buildings, works, land and equipment, $653,000.

40b. Construction or acquisition of buildings, works, land and equipment, $261,000.

Geographical surveys and research—

45. Administration, operation and maintenance including the expenses of the Canadian permanent committee on geographical names 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, $758,000.

Research in astronomy and geophysics—

50. 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 as detailed in the estimates, $2,433,800.

55. Construction or acquisition of buildings, works, land and equipment, $1,749,000.

55b. Construction or acquisition of buildings, works, land and equipment, $1,414,000.

General—

60. Polar continental shelf project, $1,657,200.

62d. Payment of subsidy to San Antonio Gold Mines Limited during the 1965-66 and 1966-67 fiscal years in accordance with an agreement entered into by the Minister of Mines and Technical Surveys, with the approval of the Governor in Council, and the Government of Manitoba, the total cost of the subsidy to be borne in equal shares by the Government of Canada and the Government of Manitoba, the payments by the Government of Canada not to exceed $45,000, $45,000.

B—Dominion coal board—

65. Administration and investigations of the Dominion Coal Board, $183,000.

70. Subventions in respect of eastern coal under agreements entered into pursuant to the Atlantic Provinces Power Development Act, $600,000.

70b. Subventions in respect of eastern coal under agreements entered into pursuant to the Atlantic Provinces Power Development Act, $130,000.

75d. To extend the authority granted by Mines and Technical Surveys Vote 75b, Appropriation Act No. 10, 1964, to increase to $22,500,000 the amount that may be expended annually in each of the five fiscal years commencing on the 1st day of April, 1965, and ending on the 31st day of March, 1970, as payments in connection with the movement of coal in accordance with such regulations as may be prescribed by the Governor in Council for the purpose of enabling Canadian coal to be laid down in prescribed markets at a price competitive with imported coal and imported residual oil; additional amount required for 1965-66, $7,557,000.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

Water resources—

30. Administration, operation and maintenance including Canada's share of the expenses of the International Executive Council, World Power Conference, 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, $3,638,000.

30d. Administration, operation and maintenance, $168,500.

35. Construction or acquisition or buildings, works, lands and equipment and 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, $989,400.

40. Contributions to the provinces toward 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, $9,400,000.

Administration and general—

1. Departmental administration including a contribution to the Canadian Council of Resource Ministers in an amount equal to one half the aggregate contribution of the provinces but not exceeding $55,000 and $145,000 for grants for northern research and for northern scientific research expeditions, $1,817,000.

1b. Departmental administration—To extend the purposes of Vote 1 of the main estimates for 1965-66 to include the grant detailed in these estimates, to raise the limit of the contribution to the Canadian Council of Resource Ministers to an amount not exceeding $76,919 and to provide a further amount of, $125,719.

5. 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, $6,665,000.

10. Contributions to the provinces, pursuant to agreements entered into with the approval of the governor in council by Canada with the provinces, of amounts equal to one half of the amounts confirmed by the provinces as having been spent by them for campground and picnic area developments, $75,000.

Supply—Items Passed

12b. Subventions under agreements entered into pursuant to the Atlantic Provinces Power Development Act in respect of electric power generated from eastern coal during the fiscal year 1965-66, $1,800,000.

National parks—

15. Administration, operation and maintenance including wildlife resources conservation and development, administration of the Migratory Birds Convention Act and payments to land owners who maintain migratory bird habitat in accordance with agreements entered into on terms and conditions approved by the Governor in Council, payment to the national battlefields commission for the purposes and subject to the provisions of an act respecting the national battlefields at Quebec and grants as detailed in the estimates, $13,551,000.

15b. Administration, operation and maintenance—To extend the purposes of Northern Affairs and National Resources Vote 15 of the main estimates for 1965-66 to include authority to make preliminary expenditures on the proposed new national park in the area of Kejimkujik Lake in Nova Scotia and to provide a further amount of, $130,600.

20. Construction or acquisition of buildings, works, land and equipment, $15,002,000.

20b. Construction or acquisition of buildings, works, land and equipment—To extend the purposes of Northern Affairs and National Resources Vote 20 of the main estimates for 1965-66 to include authority to make preliminary expenditures on the proposed new national park in the area of Kejimkujik Lake in Nova Scotia, $1.

Northern administration—

45. Administration, operation and maintenance, including grants and contributions as detailed in the estimates, authority to make recoverable advances for services performed on behalf of the governments of the Northwest Territories and the 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 provide consumers in remote locations where alternative local sources of supply are not available and to authorize the Minister of Northern Affairs and National Resources to provide in respect of Eskimo commercial activities for the instruction and supervision of Eskimos, the furnishing of materials, the purchase of finished goods and notwithstanding any other act, the sale of such finished goods, $27,008,700.

45b. Administration, operation and maintenance including grants and contributions as detailed in the estimates, $1.

45d. Administration, operation and maintenance, including grants and contributions as detailed in the estimates, $425,000.

50. 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, and authority for a program of construction or acquisition of housing for Eskimos and the sale of houses to Eskimos on such terms and conditions and at such prices as the governor in council may approve, $14,155,800.

Loans, investments and advances—

Northern Administration Branch—

L50. To authorize loans to the government of the Northwest Territories, in the current and subsequent fiscal years, in accordance with terms and conditions prescribed by the Governor in Council, to assist in the design and construction of a water and sewer system at Hay river, Northwest Territories, $840,000.

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, $3,630,000.

L60. Advances in accordance with agreements entered into pursuant to the Atlantic Provinces Power Development Act, $19,858,000.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Indian affairs—

15. 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 to authorize the Minister of Citizenship and Immigration 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, $60,221,600.

15b. 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, $220,000.

15d. 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 and 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 $3,358,500.

20. 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,

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, $14,300,000.

20d. 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, 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, $1,061,000.

Loans, investments and advances—

Citizenship and Immigration—

L15d. To provide that the total amount of outstanding advances at any one time with respect to loans to Indians under section 69 of the Indian Act, notwithstanding subsection 5 thereof, shall not exceed $1,500,000, $1.

DEPARTMENT OF LABOUR

1. General administration, including grants as detailed in the estimates; the expenses of the international labour conferences; the promotion of labour-management co-operation; the promotion of a program for the employment of the older worker; the promotion of programs for combating seasonal unemployment; the organization and use of workers for farming and related industries; and the manpower consultative service, $4,833,500.

Labour—

1b. General administration, $1,065,000.

1d. General administration, $345,000.

5. Payments to carry out the purposes of the Vocational Rehabilitation of Disabled Persons Act and agreements made thereunder, including undischarged commitments under previous agreements; payments to provinces under agreements entered into with the provinces by the Minister of Labour with the approval of the governor in council for the organization and use of workers for farming and related industries; and to authorize payments in accordance with agreements entered into with the approval of the governor in council by the Minister of Labour with provinces, employers and workers in respect of labour mobility and assesment incentives, $1,280,000.

5b. Payments to carry out the purposes of the Vocational Rehabilitation of Disabled Persons Act and agreements made thereunder, including undischarged commitments under previous agreements; payments to provinces under agreements entered into with the provinces by the Minister of Labour with the approval of the Governor in Council for the organization and use of workers for farming and related industries; and to authorize payments in accordance with agreements entered into with the approval of the Governor in Council by the Minister of Labour with provinces, employers and workers in respect of labour mobility and assessment incentives, $115,000.

6d. Payments in accordance with terms and conditions approved by the Governor in Council to provinces and in respect to Indian bands under the municipal winter works incentive program during the 1965-66 and 1966-67 fiscal years of amounts not exceeding fifty per cent of the cost of labour incurred in the period from November 1, 1965 to such day or days in the fiscal year 1966-67 as may be determined by the Governor in Council, and in the case of projects in designated areas within the meaning of the Department of Industry Act and in areas determined by the Minister of Labour to be areas of high winter unemployment, sixty per cent of such cost; and to authorize payments in those fiscal years to provinces in respect of previous municipal winter works incentive programs, $54,000,000.

Special services branch—

8d. Payments in accordance with terms and conditions approved by the Governor in Council under the winter house building incentive program during the fiscal years 1965-66 and 1966-67 of $500 per dwelling unit substantially built during the period November 15, 1965 to April 15, 1966; and to authorize payments in those fiscal years in respect of previous winter house building incentive programs, $17,000,000.

Technical and vocational training assistance—

10. Administration, $828,900.

10d. Administration, $35,500.

12b. Acquisition of the buildings, works and lands commonly known as the Missisauga Indian village at Elliot Lake, Ontario, for the purposes of the Elliot Lake Centre for Continuing Education, $437,000.

15. Payments to the provinces to carry out the purposes of the Technical and Vocational Training Assistance Act and agreements made thereunder and payments under agreements providing for the sharing of expenditures for research projects to provide information relating to vocational training and manpower requirements, $116,988,000.

15b. Payments to the provinces to carry out the purposes of the Technical and Vocational Training Assistance Act and agreements made thereunder and payments under agreements providing for the sharing of expenditures for research projects to provide information relating to vocational training and manpower requirements, $42,000,000.

15d. To extend the purpose of Labour Vote 15 of the main estimates for 1965-66 to include authority for the Minister of Citizenship and Immigration to pay to or in respect of persons resident in designated areas within the meaning of the Department of Industry Act up to 100% of the costs, in accordance with terms and conditions approved by the Governor in Council, of (a) allowances; (b) developing experimental training methods and techniques; and (c) related activities including training programs, $30,000.

Supply—Items Passed

Annuities Act—

20. Administration and government's contribution to annuities agents pension account in accordance with regulations made pursuant to Vote 181, Appropriation Act No. 5, 1961, $1,197,300.

Government employees compensation—

25. Administration of the Government Employees Compensation Act, $123,100.

25b. Administration of the Government Employees Compensation Act, $6,000.

National employment service—

30. Administration of the National Employment Service, including the transfer of labour to places where employment is available and expenses incidental thereto in accordance with regulations of the Governor in Council, $22,078,300.

30b. Administration of the National Employment Service—to extend the purposes of Vote 30 of the Main Estimates for 1965-1966 to include a grant of $2,500 to the Canadian Association for Adult Education to assist in defraying the expenses of a founding conference for a Canadian Guidance and Counselling Association, and to provide a further amount of, $4,237,000.

35b. To authorize, in accordance with regulations approved by the Governor in Council, grants to workers who move from one place in Canada to another place in Canada where employment is available to provide for payment of, (a) the actual cost of their transportation and that of their dependents, (b) the actual cost of movement of their household effects, and (c) an amount in respect of resettlement and other incidental expenses, $5,000,000.

35d. To extend the purposes of Labour Vote 35b in supplementary estimates (B) 1965-66, which provided for the establishment of a manpower mobility program, to authorize, in accordance with regulations approved by the Governor in Council, grants to or in respect of persons who are moved from one place in Canada to another place in Canada in connection with the manpower mobility program, $1.

Loans, investments and advances—

Labour—

L28b. To authorize the establishment of a special account in the Consolidated Revenue Fund to be known as the assisted movement fund from which loans to workers who move from one place in Canada to another place in Canada where employment is available may be made in the current and subsequent fiscal years, in accordance with regulations approved by the Governor in Council, to cover,

(a) the actual cost of their transportation and that of their dependents,

(b) the actual cost of movement of their household effects, and

(c) an amount in respect of resettlement,

repayments on such loans to be credited to the account; to authorize the Minister of Labour, in accordance with regulations approved by the Governor in Council, to forgive the repayment of a loan or any part thereof made to a worker under this authority; and to authorize payments out of the fund to cover transportation costs incurred for the movement of workers on behalf of employers, subject to the fund being reimbursed by the employers in accordance with regulations approved by the Governor in Council, $5,000,000.

L28d. To authorize in the current and subsequent fiscal years, in accordance with regulations approved by the Governor in Council, loans to provide financial assistance to workers who move from one place in Canada to another place in Canada where employment is available, to authorize advances to cover transportation costs incurred for the movement of workers on behalf of employers subject to reimbursement by employers, to authorize the Minister of Citizenship and Immigration, in accordance with regulations approved by the Governor in Council, to forgive the re-payment of a loan or any part thereof made to a worker under this authority and to authorize a special account in the Consolidated Revenue Fund to be known as the assisted movement account,

(a) to which all loans to workers and advances made on behalf of employers will be charged; and

(b) to which shall be credited

(i) all repayments of principal amounts of loans

(ii) all amounts reimbursed by employers, and

(iii) all amounts the payment of which is forgiven by the Minister of Citizenship and Immigration under this authority;

the total amount that may be charged to the account at any time not to exceed $5,000,000; and to repeal Labour Vote L28b as set out in supplementary estimates (B) 1965-66 and to apply to this vote the moneys appropriated for the purposes of Labour Vote L28b by Appropriation Act No. 6, 1965 and Appropriation Act No. 1, 1966, $5,000,000.

UNEMPLOYMENT INSURANCE COMMISSION

1. Administration of the Unemployment Insurance Act, $32,689,400.

HOUSE OF COMMONS

Friday, March 4, 1966

The house met at 11 a.m.

EXTERNAL AFFAIRS

INDIA—ANNOUNCEMENT OF INCREASED FOOD AID

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to make a short statement on wheat supplies for India. As various international discussions will be taking place over the next two or three weeks regarding the very serious food situation facing India, and as it is most important that India should know as soon as possible what supplies she can count on, I should like to inform the house in general terms of the plans of the Canadian government in this matter.

Although the Indian government is making strenuous efforts to improve the situation, there can be no doubt, as the United Nations Food and Agricultural Organization has emphasized, that without large amounts of assistance from other countries food shortages in many areas of India would reach famine proportions. Fortunately, several governments are already taking steps to help. In particular, the government of the United States of America is providing massive support.

For our part we announced some time ago that out of the 1965-66 appropriations Canada would make available to India a total of $25 million worth of food, all of which is exepected to be shipped before the end of this month.

I am glad to be able to announce now that during the coming fiscal year the government plans to make available a substantially larger amount than last year. Most of this food aid will be in wheat, which India so badly needs. I expect shipment to take place after the beginning of the new crop year this July. We shall be working out the precise details in our further consultations with the Indian government and with the other governments concerned. I am satisfied that we shall be able to provide this substantial help to India and at the same time meet all our commercial orders. The fact that we can do so is a tribute to the hard work of our western farmers and the high productivity of our agricultural industry.

The situation in India requires a concerted international effort. I would hope that not only the food producing countries will help but also the many other countries which are capable of assisting with shipping, port handling equipment, fertilizers and other effective forms of aid.

Canada, Mr. Speaker, can be depended upon to make a contribution which will compare well with that of any other country.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, with regard to the statement made by the right hon. gentleman I would say at once that the plan announced has the complete support and commendation of the opposition. We have consistently advocated additional assistance by way of food to meet the terrible famine conditions that face India in increasing measure.

• (11:10 a.m.)

In this connection I recall so well the NATO meeting that took place in Paris in December, 1957. At that time I advocated a food bank which would make available to famine stricken countries in all parts of the world food and assistance of that kind. The idea was not accepted at that time. Later on, within the commonwealth, we endeavoured to bring about this plan. It was accepted, but was not carried into effect because of the failure of some of the nations within the commonwealth to give their full approval. Hunger knows no geographical bounds. The hunger of people in all parts of the world must have a direct claim on the compassion of all of us. However, hunger within the commonwealth is of pre-eminent concern and must be so recognized by all of us.

At the same time I want to say that what President Johnson and the United States administration has done in this connection, in making available huge supplies of wheat in recent months, is further evidence of the extent to which the United States of America accepts its world responsibilites.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, we in this party welcome the Prime Minister's statement. We think that aid to the Indian people at this tragic time of famine in that country is not only called for by human compassion but also on higher political

grounds. The whole democratic world is involved in the question of the stability of democracy in India. We will examine the Prime Minister's statement and future plans with great interest.

I am not quite sure that I heard the Prime Minister correctly, but I thought he mentioned the figure of $25 million last year and said it would be increased. We think in any event, that this increase should be on a generous scale. It should be treated as a matter of emergency, as if a similar problem faced our own people in this country, because it is of great importance.

Perhaps the Prime Minister could deal with this at some other time, Mr. Speaker, but I did notice that in the dispatch from the Washington correspondent of the *Globe and Mail* in this morning's newspaper it was stated that the United States representatives at the conference now being undertaken with cabinet ministers in Washington had said the United States is almost certain to complain that Canada is not doing its share to forestall the widespread famine arising in India. This may be quite false speculation but I would ask the Prime Minister, in view of the crucial importance of this matter, to let us know and at the same time take steps to see that this important subject is discussed in Washington so that our plans can be co-ordinated with United States plans to deal with this situation.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, we listened attentively to the Prime Minister's statement to the effect that Canada will do a lot this year to help India which is faced with a food shortage and which finds itself in the most abject misery. Indeed, according to India's new Prime Minister, 52 million Indians now lack the bare essentials and the role that Canada can play in such a situation is of the most vital importance.

The announcement made by the Prime Minister is encouraging. He stated that we will send mostly wheat. We will also send other things.

Canada is one of the wealthiest countries in the world. The whole world knows it. And yet, in our country, one of the world's wealthiest, among a population of 20 million people the farmers suffer because their production remains unsold year after year.

If the government or the Prime Minister looked closely into the situation, they would see there an opportunity to help Canadian agriculture by setting up a system of cold storage facilities which would guarantee to the farmers that their products would be sold when a situation similar to the one prevailing in India or elsewhere developed. As a matter of fact, we would then have on hand the products needed to help such people and we would help our agriculture and our farmers at the same time.

We must feel sorry for the Indians' plight —but we must also feel sorry for the plight of that class of our Canadian society.

In any event, we are happy to support the policy of assistance which our government will apply toward India and we hope that all the countries in the world which have a food surplus and can dispose of it, will follow the example of Canada, a country with a relatively small population which, at least, is kind-hearted enough to help the needy wherever they are in the world.

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I join with the other leaders in giving the complete support of our party to this project which the Prime Minister has announced. We trust that included in this immediate shipment of grain will also be supplies of wheat flour. We also trust that the transportation problems which have been so prevalent in these last months will not hinder the rail carriage of this particular shipment of food which is so urgently required by the starving millions of India.

Those of us who are associated with the freedom from hunger campaign, and specifically the Canada-Mysore project, have had brought to our attention the fact that in India approximately 20 per cent of all food produced is lost because of the lack of proper processing facilities. This includes storage, refrigeration and packaging.

I trust that the government, in giving this assistance which it is our responsibility to provide, will also consider ways and means of assisting to avoid the waste of food which is taking place in India owing to the lack of facilities. I would remind the members of the house that the Canada-Mysore project is specifically designed to preserve foodstuffs. This is one area where assistance could be given which would go beyond just the immediate need which has been filled by this particular gift.

I would also draw to the attention of the house the fact that while we in Canada are able to produce tremendous food surpluses, it

is extremely difficult to dispose of these surpluses. That should be evidence again of the need to set up proper financing facilities for the sale of our surplus food products. This relates specifically to a two-price system which will make it possible for nations like India to purchase this surplus food which we have, and which will assist them in their over-all planning to meet such critical urgencies as they now face.

We give our wholehearted support, Mr. Speaker, to the initiative which has been taken by the government, and we assure them that in every way possible we will give them our co-operation.

[*Translation*]

FINANCIAL ADMINISTRATION ACT

AMENDMENTS RESPECTING APPLICATION TO CROWN COMPANIES

Mr. Réal Caouette (Villeneuve) moved for leave to introduce Bill No. C-134, to amend the Financial Administration Act.

Some hon. Members: Explain.

Mr. Caouette: Mr. Speaker, the explanation is simple. The object of this bill is to ask Parliament to control more closely administrative expenses of Crown corporations in such a way that Parliament will always know what they do and how they spend the taxpayer's money.

Motion agreed to and bill read the first time.

[*English*]

ADMINISTRATION OF JUSTICE

VICTOR SPENCER—REQUEST FOR TABLING OF 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 in the unravelling of the Spencer case, in view of the press report of this morning that letters were written by the solicitor for Spencer, those letters or any information regarding them will be revealed to the house. Will the Prime Minister now table them?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have no objection at all to tabling them. The two letters referred to were not letters to me, or to cabinet ministers. I assured the house about this yesterday. One letter I knew about, because it was a letter to the Privy Council, was from a solicitor in Vancouver. There was no indication on the letter that he was Spencer's solicitor. His name was Mr. Rankin.

The first letter asked for a copy of the order in council dismissing Mr. Spencer, and that was replied to at once. The order in council was sent to him. A second letter was sent to the deputy postmaster general who sent it to the Privy Council, asking to explain the meaning of the word "misconduct." I am paraphrasing what was in the letter. That letter was also replied to. That is all that was in it. As I say, that was a request that "misconduct" should be explained.

The reply, which was given by a member of the Privy Council staff, was that it would be inappropriate for him to explain what "misconduct" was, but he referred the inquirer to the Civil Service Act under which the dismissal took place, and in which misconduct is referred to.

Mr. Diefenbaker: Why was the house not told of this? Why was there all this concealment?

Mr. Pearson: Mr. Speaker, there was no concealment of any kind. There was a letter from a lawyer in Vancouver asking for certain information, which he got.

Mr. Diefenbaker: There was a two day debate over that.

Mr. David Lewis (York South): A supplementary question, Mr. Speaker. May I ask the Prime Minister when the letter written by Mr. Rankin asking for an explanation of the word "misconduct" was answered? The Prime Minister said it was answered, but may I ask him when that letter was answered? And when, may I say, if you will permit me—

Mr. Speaker: Order. The only thing the hon. member can do now is ask a question. He cannot make a statement.

Mr. Pearson: It is a simple question. The letter was dated February 18, and it was replied to on February 24.

Mr. Erik Nielsen (Yukon): Since a formal request is probably necessary, may I now ask the Prime Minister to table the letters he appears to have in his possession on the Spencer matter?

Mr. Pearson: I will overlook the characteristically offensive way in which the question was put and point out that the first letter I had was, as has been pointed out, a letter from a lawyer asking for an order in council, which he received. Apparently my right hon. friend suggests this was concealing something. Everybody in the house knows about the order in council, including, I suppose, my right hon. friend.

The second letter was dated February 18 and it asked for information concerning the word "misconduct"; what constituted misconduct within the meaning of the law. That letter also was sent to an assistant clerk of the Privy Council and he answered it, to Mr. Harry Rankin, who was a solicitor in Vancouver. And I am informed he did not identify himself in this letter as Mr. Spencer's solicitor. I will read this letter if the Speaker gives me permission.

Mr. Nielsen: On a point of order, the question I asked the Prime Minister was will he table the correspondence. That is all.

Mr. Pearson: I will do more than that. I will read the correspondence.

Some hon. Members: Hear, hear.

Mr. Nielsen: Rather than raise a point of order again, may I ask the Prime Minister whether he will request Your Honour's permission to obtain unanimous consent to table the letters he has in his possession.

Mr. Pearson: I have indicated that not only am I willing to table the communications, though I suppose I should get the consent of the lawyer who sent them, but I am also willing to read the letters. They are very short.

Some hon. Members: Read them.

Mr. Pearson: Perhaps it would save a lot of time—this is a very short letter—if I just read it together with the answer.

Mr. Diefenbaker: Mr. Speaker, we have had enough of these expurgated things and partial truths. We want the letters tabled. We do not want the Prime Minister to do the reading.

Mr. Speaker: Order, please. Is the right hon. Prime Minister asking for leave to table the letters or to read them?

Mr. Pearson: Mr. Speaker, I am asking for leave to read the reply to which reference has been made. I am asking for leave to read the reply right now and put it on the record.

Mr. Diefenbaker: Table it.

Mr. Speaker: Order, please.

BROADCASTING

BRITISH COLUMBIA—INQUIRY AS TO ESTABLISHMENT OF FRENCH RADIO STATION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): I have a question for the Secretary of State. Can the hon. lady inform us whether or not there are plans on foot for the establishment of a French language radio station on the lower mainland of British Columbia?

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

FINANCE

STEPS TO CORRECT CURRENT ACCOUNT DEFICIT WITH U.S.

On the orders of the day:

Hon. George Hees (Northumberland): I should like to direct a question to the Prime Minister. In view of the very strong steps being taken by the United States government to correct its imbalance of payments deficit of $1.3 billion with all countries, has the Canadian government any plans for correcting its $1.4 billion current account deficit with the United States as specified yesterday in Toronto by Assistant Secretary of Commerce Andrew F. Brimmer when speaking to the Toronto Bond Traders Association?

Mr. Speaker: Order. This is a very general question and I do not think it should be posed or answered at this time.

Mr. Nielsen: On a point of order—

Mr. Hees: Just a minute.

Some hon. Members: Oh, oh.

Mr. Speaker: I believe the hon. member for Northumberland is speaking to a point of order.

Mr. Hees: On many occasions in this parliament I have been sent to the penalty box before even stepping on the ice. Today I really feel this is an important question, one which should be asked the Prime Minister on behalf of Canada, and I suggest an answer should be forthcoming.

Mr. Speaker: What I am suggesting to the hon. member is that the question is in such general terms that in its present form it is not a question of the type which should be asked on orders of the day.

Mr. Hees: Mr. Speaker, I would like to rephrase my question to the Prime Minister. Has the Prime Minister instructed the Minister of Finance to advise the United States government, with whom Canadian ministers are conferring today, of the steps Canada proposes to take to correct the $1.4 billion balance of payments deficit which we have with that country?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am glad my hon. friend has got out of the penalty box. Of course this matter will be among those discussed in Washington at the ministerial meeting, and I would point out to my hon. friend—because this the first question he has asked me that I have been able to answer, the first one that has not been ruled out of order—that the figure he gave is a figure given in this country by an official of the United States government, not the Canadian government.

Mr. Hees: As a supplementary question, does the Prime Minister disagree with this figure? I have the speech of the assistant secretary of state right here before me and I will show it to the Prime Minister if he would like to see it. Does he disagree with this figure? Mr. Speaker, I ask the Prime Minister does he disagree with the figure used by Mr. Brimmer?

Mr. Speaker: Order.

Mr. Hees: Come on, let's go.

Mr. Speaker: Order.

Mr. Muir (Cape Breton North and Victoria): Who is in the penalty box now?

CANADIAN CONSTITUTION

REQUEST FOR TABLING OF LETTER RESPECTING AMENDMENT METHOD

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, quite apart from this generally riotous performance I want to ask the Prime Minister a question on a very different matter. I call attention to the fact that the Prime Minister of Quebec is said to have tabled in the Quebec legislature further correspondence about a proposed new formula for the amendment of the B.N.A. Act. I would like to ask the Prime Minister whether he will table the further correspondence on this matter, and also whether he will undertake that the government will not agree to, or propose any new formula for the amendment of the constitution without the opportunity for debate in this house, and perhaps examination by a committee of this house.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, now that the Prime Minister of Quebec has made his letter public I have no objection whatsoever to having it tabled in this house. The correspondence to which my hon. friend refers is merely a letter from the Prime Minister of Quebec to me, dated February 17, and I shall be very glad indeed to table it.

Mr. Diefenbaker: And the reply?

Mr. Pearson: With regard to the second part of my hon. friend's question, I think there should be ample opportunity to discuss the question of constitutional amendment, in substance and in form, well before any new proposals are put before a federal-provincial conference.

[*Later:*]

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Prime Minister, with reference to the most recent correspondence with Premier Lesage on the subject of the amending formula, whether the government has yet formed any intention to resume negotiations on this matter, and if so will he advise the house when negotiations on the means of bringing Canada's constitution home will be resumed?

Mr. Pearson: No, Mr. Speaker; we have given no consideration to the resumption of these discussions. In view of the fact that at a federal-provincial conference not so very long ago all the provincial governments agreed on a particular formula, and that that formula has now been postponed indefinitely, according to Mr. Lesage's letter, I would think that before further consideration can be given to this matter we in the federal government would be interested in receiving from the government of Quebec what changes it thinks would be desirable in the formula which all other governments have accepted.

Mr. Fulton: Will the Prime Minister make that inquiry?

Mr. Pearson: I shall be glad to make that inquiry.

PUBLIC SERVICE

REPORTED STATEMENT BY MINES MINISTER RESPECTING BILINGUALISM

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I wish to direct a question to the Prime Minister. Was the Minister of Mines and Technical Surveys stating government policy when he said that in future for persons to enter or work in the civil service in Ottawa they must be bilingual?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the policy of the government in this matter has already been laid down. It has been laid down by me in this house and I have referred to it outside the house. Perhaps

at this juncture I might repeat what I said on this particular point on March 11, 1965. I said then:

In working toward that objective—

That is, bilingualism in the civil service; and I put it forward as an objective and an objective only.

—in moving to make the services of government available in both languages and open to both English and French speaking employees—we must guard against prejudicing the position of people already in the public service. We must take great care that no injustice or injury is done to the prospects of advancement by people now in the public service who came here to provide the best service that they can for Canada, but who may speak only one of Canada's languages. That certainly is not the intention of this government and will not be the result, I believe, of the policies of this government.

I am glad to reaffirm that statement.

Mr. Harkness: Mr. Speaker, what I asked the Prime Minister was whether the statement made by the Minister of Mines and Technical Surveys represented government policy, that in future people entering the civil service must be bilingual.

Mr. Pearson: Mr. Speaker, I said yesterday, and I shall be glad to repeat now, that I will be making a rather complete, I hope, statement on this matter next week after the report of the interdepartmental committee on bilingualism has been finally considered by the cabinet over the week end.

Mr. Harkness: As a further supplementary question, have the Prime Minister and the government consulted the heads of the National Research Council, the defence research board, the heads of the research branches of the Department of Agriculture, the Department of Mines and Technical Surveys and other departments, in regard to what I believe would be the complete impossibility of recruiting and having adequate scientific personnel if this sort of proposition were put into effect?

Mr. Pearson: Mr. Speaker, all the agencies of the government have been very carefully consulted by the interdepartmental committee whose work, I believe, extended over a year. The report of that committee to the government, which is exhaustive, not only makes certain recommendations but gives the nature of this consultation. This will be covered in the report I will be making to the house.

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I would like to ask the Prime Minister what he means when he uses the expression "as an objective, and as an objective only"?

[Mr. Pearson.]

Mr. Pearson: Well, Mr. Speaker—

[*Translation*]

Mr. Speaker: Order. I do not think this question is in order. The hon. member asks for an interpretation of a word or a phrase used in an answer. I do not think that question can be put in those terms.

[*English*]

HEALTH AND WELFARE

REQUEST FOR INCREASED ASSISTANCE FOR MEDICAL SCHOOLS

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, in view of the serious and urgent implications involved in the Gundy report, recently put before the government, which in part alludes to a serious shortage of doctors in Canada and the necessity for increased federal assistance to our medical schools, I would like to ask the Minister of National Health and Welfare whether the government has studied this report, and will the government soon implement some of its recommendations by announcing a drive for medical care manpower?

Mr. Speaker: I suggest to the hon. member that this question is again one of a very general nature and is not so urgent that it requires an answer at this time. Perhaps the hon. member would place it on the order paper.

[*Translation*]

PRIVILEGE

MR. CAOUETTE—LACK OF BILINGUAL TELEPHONE OPERATORS

Mr. Réal Caouette (Villeneuve): Mr. Speaker, it is more a matter of privilege than a question that I want to raise.

Last evening, I had long distance calls to make to my constituency and I met with a situation which is totally unacceptable and inconceivable. We have just heard about bilingualism. Last night not a single French speaking operator was available at the central telephone switchboard of the House of Commons and what I find wrong, or—

Mr. Speaker: Order. The hon. member may have a legitimate question of privilege, but under the rules, as he is well aware, he must give notice of it to the Speaker of the house one hour before the house sits.

As far as I know, such notice has not been given and the hon. member, therefore, cannot raise a question of privilege. He may put a question, if he so wishes, to a member of the government, if there is some responsibility on the part of the government in connection with the subject dealt with by the hon. member.

Mr. Caouette: Mr. Speaker, could the responsible minister see to it that this situation is corrected so that we may have bilingual operators on the Parliament switchboard?

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, if any minister has a responsibility in the matter I must be that minister. I will look into it at once to see what can be done.

AIR TRANSPORT

CHANGE IN REGULATIONS RESPECTING AIR CORRIDORS ACROSS ATLANTIC

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is directed to the Minister of Transport. I presume his attention has been called to the protest of the Canadian Air Lines Pilots Association about the recent change in the international regulation governing air corridors across the north Atlantic. In view of the exceptional record of Canadian air lines regarding safety, unsurpassed I think in the world, I wonder whether the minister is prepared to place the views of these pilots who are responsible for that enviable record before the international body and press for a revision or repeal of this international decision to narrow the corridors.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I shall be glad to look into the suggestion of the hon. member as soon as possible.

TRANSPORT

SHORTAGE OF BOX CARS ON C.P.R. WESTERN LINES

On the orders of the day:

Mr. C. S. Smallwood (Battle River-Camrose): Mr. Speaker, I have a question for the Minister of Public Works and in his absence I should like to direct it to the Prime Minister. It arises from a letter I received this morning informing me that because of the C.P.R. the farmers at Derwent and Myrnam are still on a two bushel quota. I should like to ask the Prime Minister what action the government is going to take to see that these farmers get some box cars.

Mr. Speaker: I am sure the responsible minister or ministers and the Prime Minister have taken note of the hon. member's inquiry, but I do not think this question can properly be asked at this time.

Mr. Smallwood: I should like to debate it on Monday at ten o'clock.

NATIONAL DEFENCE

HALIFAX—REQUEST FOR SUSPENSION OF JOB EVALUATION

On the orders of the day:

Mr. J. M. Forrestall (Halifax): Mr. Speaker, I should like to direct a question to the Associate Minister of National Defence. If I am directing it to the wrong minister I offer my apologies. My question refers to the growing concern among prevailing rate employees now termed as service and maintenance employees in Halifax. Would the minister and the government consider the suspension of the implementation of job evaluation at least until collective bargaining is a fact?

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

CANADIAN BROADCASTING CORPORATION

PRESENCE OF OFFICERS DURING CONSIDERATION OF ESTIMATES

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Secretary of State in relation to the estimates of her department, which we expect to have before us in the not too distant future. Can the hon. lady say whether it is her intention to have officials of the Canadian Broadcasting Corporation available so we can obtain answers to some very pressing questions?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I have had most of the officials from the president on down here in Ottawa for the past week. So far as I am aware they will be around today.

MONTREAL—DEMONSTRATION RESPECTING JURISDICTIONAL DISPUTE

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I should like to direct a question to the Secretary of State. Is the hon. lady aware

of a movement to destroy the membership in four national unions in the province of Quebec involving employees of the C.B.C.?

Hon. Judy V. LaMarsh (Secretary of State): No, Mr. Speaker, I am not aware of any such matter.

Yesterday my hon. friend asked me a question having regard to some demonstrations, which puzzled me. I do not know with what reference it was associated, but I assume it was in respect of the C.B.C. He asked me whether I knew of any proposed demonstrations by the C.S.N.-C.N.T.U. I have checked with the C.B.C. and have been informed that they understand there is a demonstration planned in regard to the jurisdictional dispute at Palais du Commerce in Montreal on Sunday, March 13. They are not aware of any plans for such meetings in Ottawa or in Quebec city.

EXTERNAL AFFAIRS

INDIA—INVITATION TO PRIME MINISTER TO VISIT CANADA

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct my question to the Prime Minister. Can he tell us whether Mrs. Gandhi, the Prime Minister of India, will be visiting Canada when she is in North America shortly?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, Mrs. Gandhi was invited to come to Canada before or after her forthcoming visit to Washington. I received a telegram this morning through our high commissioner in New Delhi in which she expressed regret at not being able to accept the invitation partly because the Indian parliament is now in session and she feels she must go right back to India after her Washington visit. Perhaps her inability to accept at this time may be related not only to her own important duties in India in the present situation, but to the fact that the late and lamented prime minister of India, Mr. Shastri, visited us last year.

Mr. Starr: Mr. Speaker, I rise on a point of order. I should like to know whether someone in the government benches can tell us what was so pressing about that question that it should be allowed, with a reply, on orders of the day?

An hon. Member: As a matter of courtesy it should be answered.

[Mr. Winkler.]

INDIA—INQUIRY AS TO ITEMS COMPRISING ADDITIONAL AID

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to ask the Prime Minister a question arising out of the statement he made this morning in respect of additional food aid to India. Have the government made any decision in respect of the purchase of the various commodities of food they intend to send to India, or have they just appropriated the additional money required? If there is a list of the commodities intended to be shipped, I wonder whether we can be provided with a copy.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, to my knowledge there is no detailed list as yet. We do know, in view of talks we have had with India, that India requires wheat above all else, but a discussion as to what other food commodities might be helpful is still taking place.

I should also like to remind the house that within the next two or three weeks there is to be an international meeting of the countries which are anxious to help share in aid to India in order to discuss the most effective ways that particular countries can assist in meeting this situation.

Mr. Olson: I have a supplementary question. I understood the Prime Minister to say that the balance of the $25 million in aid for the current year would be used to ship commodities to India before the end of this month, and that is what I am mainly concerned about rather than aid in the new fiscal year.

Mr. Pearson: I will look into the situation right away and obtain the information requested.

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, my question is supplementary to that question regarding Indian aid. Is the government taking every step to make certain that the aid pledged earlier this year will be provided India as early as possible?

Mr. Pearson: Mr. Speaker, I am afraid I did not catch the last part of my hon. friend's question.

Mr. Enns: The government made an announcement regarding aid to India earlier this year, in respect of which contracts and tenders were received for purchases. Is every step being taken by the government to make sure this aid will be provided that country as expeditiously as possible?

Mr. Pearson: Yes, Mr. Speaker, we are taking every possible step to get it there and to get it there quickly.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I have a supplementary question in connection with the statement made by the Prime Minister regarding aid to India. In his statement he said the general plan would begin in the next crop year which, of course, would be after July 31. Does the Prime Minister know the total amount that Canada will be making available between now and then to meet the immediate serious situation; and is it a fact that because of our other commitments, to which he referred in his statement, we are unable to give any additional wheat or flour assistance at this time?

Mr. Pearson: The aid for 1965-66 that we have promised will be completed very shortly. Indeed, in view of some observations that have been made in the United States I would point out that Canada has been able to provide every bushel of food aid requested by the Indian authorities up to the present time. We are now discussing with the Indian authorities and other countries concerned how much we can add to what we have done. We have not yet agreed on the amount or the nature of the food aid. We expect to do this within a week or two, and perhaps I will be able to make a more specific and definite announcement next week.

Mr. Diefenbaker: I thank the Prime Minister for that answer. I should like to ask him one further question. Who pays for the freight of the wheat? This was a matter of concern during my period of administration, and it is of very great importance.

Mr. Pearson: In the past—and I speak subject to correction—I believe the government receiving Colombo plan assistance in most cases paid the freight, but in an emergency of this kind I should think other arrangements might have to be considered. When I mentioned the possibility of aid from other countries which cannot supply food, I was referring to their providing aid in other ways such as shipping. But we shall be very careful not to let shipping costs prevent needed wheat getting to India.

NATO—REPORTED PRESSURE FOR REMOVAL OF BASES FROM FRANCE

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question that I wanted to ask the Secretary of State for External Affairs. Perhaps in his absence and with your permission I could direct it to the Prime Minister. Having in mind reports from Paris under today's date that the French government is pressing Canada for the removal of bases and personnel, can the Prime Minister say whether any official representations have been received from the French government on this matter?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have of course read these reports. We have also been in touch with our mission in Paris in regard to them and in regard to other conversations which are going on concerning NATO. I should like to repeat what the Secretary of State for External Affairs said the other day, that some of the reports have not been confirmed, and the government has not yet received any formal communication from the French government in respect of these matters.

Nevertheless, the reports I have read and to which my hon. friend has referred are consistent with the general position taken by President de Gaulle in his press conference on February 21. As I said in the house the day after that press conference, on February 22, we would expect the French government to put forward in some formal manner precise proposals to which Canada and other NATO countries would respond. We have not, as I just indicated, received such a communication. When it is received, Mr. Speaker, we will give it careful study. But I would reaffirm what I said the other day that Canadian forces are in France as NATO forces under collective security arrangements, and if those arrangements are to be changed at the request of any particular government this would be a very serious matter which would deserve very serious consideration.

GHANA—REPORTED REQUEST FOR FINANCIAL AID

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I direct my question to the right hon. Prime Minister. In view of continuing reports from Ghana I would ask whether the Canadian government has received any specific request for financial aid, either directly from Ghana or through the world bank or the United Nations.

Right Hon. L. B. Pearson (Prime Minister): I would have to look into that matter, Mr. Speaker. As of yesterday we had received no

formal or official request. Something may have come in since then. I shall be glad to investigate.

WATER RESOURCES

DISCUSSION AT CANADA-U.S. MINISTERIAL MEETING

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question I wish to direct to the Prime Minister. Can he advise the house whether the Minister of Mines and Technical Surveys will be discussing problems of water resources and pollution of boundary waters while he is in Washington?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have no doubt that this question will come up during the course of discussions there. I can not say specifically whether this subject is on the formal agenda, but I am sure it will be discussed.

NORTHERN AFFAIRS

INQUIRY AS TO FEDERAL MIGRATORY BIRD LICENCE

On the orders of the day:

Mr. Jack Roxburgh (Norfolk): Mr. Speaker, I have a question I should like to ask the Minister of Northern Affairs and National Resources. Is it true that the government has approved a federal migratory bird licence or duck stamp?

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

LABOUR RELATIONS

ONTARIO—REQUEST FOR INTERVENTION IN TRUCKING STRIKE

On the orders of the day:

Mr. William Dean Howe (Hamilton South): Mr. Speaker, I should like to ask a question of the Minister of Labour. In view of the fact that the teamsters' strike has continued for more than six weeks, will the minister consider taking a personal part in seeking a quick settlement?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, the report I received early this morning would indicate that the teamsters are now considering a proposal that was submitted to them by the truck operators. This has been or is to be submitted to the different unions for their consideration. I am watching the situation carefully, and if and when I feel that the time has come when I should intervene, I will do so. I continue to receive reports at least once or twice every day.

[Mr. Pearson.]

LABOUR CONDITIONS

WINDSOR—PROSPECTIVE LAY-OFF OF FORD WORKERS

On the orders of the day:

Mr. Max Saltsman (Waterloo South): Mr. Speaker, I should like to direct my question to the Minister of Citizenship and Immigration. It arises from remarks he made earlier this morning in which he said that two men in Windsor were acting on behalf of his department in regard to the lay-offs at the Ford Motor Company. The minister said he hoped he would be able to report to the house tomorrow. I am not sure whether today is tomorrow, because of the early hour when his remarks were made. However, I would ask the minister whether he is in a position to report to the house on the progress his people have made in Windsor.

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, I hope to receive a report today but I have not yet received it. As soon as I get it I will make a report to the house.

SUPPLY

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

DEPARTMENT OF JUSTICE

Legal and other services—

1. Administration including the office of the Superintendent of Bankruptcy, grants and contributions as detailed in the estimates, gratuities to the widows or such dependents as may be approved by Treasury Board of judges who die while in office and authority to make recoverable advances for the administration of justice on behalf of the governments of the Northwest Territories and the Yukon Territory, $2,504,300.

The Chairman: Order. House again in committee of supply, estimates of the Department of Justice for the fiscal year ending March 31, 1966, vote No. 1. Shall vote No. 1 carry?

Mr. Diefenbaker: Mr. Chairman, a few days ago when I concluded my remarks I said "I rest", which of course is the proper expression to use. I noticed an article in the press written by one of those who apparently do not understand the expression, because he said the significance of it was that I was tired. I am glad to be able to say that I used the term in the best and properly acceptable form. I also read in another article that the other day the Prime Minister played his trump card when he brought out certain facts. Well, Mr. Chairman, I am going to deal with that trump card today.

This has been an amazing series of revelations. As the days go by we get additional information, mainly through the press. You said a moment ago, Mr. Chairman, "Shall vote No. 1 carry?" We are generally in agreement that the various estimates of the Department of Justice shall pass and would be only too happy to agree thereto, provided it is made clear that it does not cover one dollar of the salary of the Minister of Justice.

I do not condemn the minister individually. I think he has been acting as his predecessor had to act on several occasions to protect the government. I have listened to the minister and endeavoured to understand what is behind all this evasion and even downright delusion.

• (12:00 noon)

Mr. Nielsen: Deception.

Mr. Diefenbaker: Deception is a word that has wide circulation and which is only used in particular circumstances, but I think in these circumstances the word is not overly strong. The government has hidden the facts right from the beginning. The other day the minister read a long screed, obviously extramurally prepared.

Mr. Cardin: Mr. Chairman, I rise on a question of privilege. I presume the right hon. gentleman is subject to the rules of this house, just as the rest of us common mortals are, and I insist that they be applied.

Mr. Diefenbaker: It is not the first time he read a speech prepared elsewhere; let me make that clear.

Mr. Cardin: Mr. Chairman, I can tell hon. members this; when it comes to writing anything about the right hon. gentleman I do not need any writers because it flows like magic.

Mr. Diefenbaker: Let me say that the last time he made a vicious attack, he made it when he knew I was not in the house and it was prepared elsewhere, and I know—

Mr. Cardin: That is not true.

Mr. Diefenbaker: I know who prepared it.

Mr. Cardin: That is not true.

Mr. Diefenbaker: Let me say to the hon. gentleman, just keep yourself calm.

Mr. Cardin: Mr. Chairman, I ask that the hon. member withdraw that statement. It is untrue. Let me tell him it takes more than two frustrated Conservatives to rattle me.

Mr. Diefenbaker: You know—

Some hon. Members: Withdraw.

Mr. Diefenbaker: There is nothing to withdraw.

Some hon. Members: Withdraw.

Mr. Diefenbaker: The hon. gentleman—

The Chairman: Order, please.

Mr. Diefenbaker: As I listened to the hon. gentleman again giving one of these exhibitions I thought of the words of Shakespeare, "Man, proud man, dressed in a little brief authority, most ignorant of what he's most assured".

Mr. Pearson: Get it right; remember Shakespeare.

Mr. Diefenbaker: The Prime Minister had added to the ignorance of this house by not giving the facts. He has hidden them. He has hidden them always and I intend to deal with the record, the labyrinth of deception that has been built around this case. We have not been able to get the truth. We do not know the truth, yet we get the story day by day. If we read the Montreal *Star* we find that those in high authority gave information regarding the administration and dismissals that took place. Who are these people who give information to the press when the House of Commons cannot secure that information?

The Prime Minister smiles about this. You know, there is one thing you have to do and that is rely upon the word of the Prime Minister. I always follow that course. The other day—on February 23, was it—he spoke at length, but he must again have forgotten some things. We did not get much information. As I said, I go back to the beginning, to the communiqué that was issued on May 8, a communiqué that was not true if the statement made by the minister the other day was.

They thought they were going to play a trump on us by saying these things happened in 1960 and before in so far as Spencer is concerned. Nothing happened after 1963. This was a trump, was it? If it is true that no knowledge had been received by the mounted police, they did not know anything about it in 1960, 1961 or 1962; they did not know of the activities of Mr. Spencer.

Mr. Cardin: Of course they did.

Mr. Diefenbaker: Then, Mr. Speaker, if the mounted police did, why was action not taken in this case?

Mr. Cardin: Why didn't you?

Mr. Diefenbaker: If that statement is true, then what about this statement in the press release that was issued:

Approaches made by two members of the Soviet embassy very shortly came to the attention of the Royal Canadian Mounted Police.

What does "very shortly" mean? It means very shortly before the publication of this release.

Mr. Pickersgill: No, shortly after that happened.

Mr. Diefenbaker: It means that if what the hon. gentleman has said is true, the time has come for a full and complete investigation. I want to go back; I want to cover the period from 1944 onward.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Yes, I want to cover that period. I want to see it fully investigated. The Prime Minister laughs, but I want to see as well that we make available to the commission meeting behind closed doors the revelations that have found their way to Washington and have there been placed in evidence that was taken in that body on security. We are not getting the facts. Today we asked what communications there were, and we received no answer at all. The indication was that so far as Spencer was concerned, he was satisfied. There was no suggestion at any time that Spencer's lawyer had ever written, that there had been any objection.

In the morning press the lawyer says he wrote asking for certain information and that he was retained for the purpose of looking into the question and securing the rights of Mr. Spencer. None of this has been revealed. We have had half truths placed before the House of Commons when, in a matter such as this, the full truth should be revealed. I have only to point out that yesterday the Minister of Justice in the province of Quebec issued as grave an indictment as has ever been made regarding this government's administration of justice. He says it is "pusillanimous". He says he can get no action. He says what is taking place is that this government will not act other than a pusillanimous way.

• (12:10 p.m.)

I ask the government, what are you going to do in this connection? What action are you going to take? Why will you not set up a royal commission now behind closed doors? Is there anything unusual in that? In 1944-45 the government of that day set up a royal commission. I was not in agreement with certain activities of that commission which, in effect, abolished habeas corpus. However, the commission was set up and it went thoroughly into the investigation. The assumption put forward that these things have happened over the years is of primary importance as a basis upon which to demand that there be such a commission.

I know of no newspaper that supports the stand of the government. In all parts of Canada the press is saying, set up a commission. Let us assure that our security shall be preserved. Let us go into this matter. Why do you not do it? Don't go around telling members of the press gallery: "If we were to tell what we know, we would be devastating". I say to you, let us bring out the facts. Establish a royal commission.

I want to go back to 1944-45 to see whether our security is what it should be. This Spencer case and the circumstances connected with the issuance of that never to be forgotten press release can only lead one to believe that at that time there was something that required a smokescreen, something at that time which had to be used to cover up certain circumstances. This is most unusual. Security does not work that way. It is a very difficult problem, but it does not work when you rush to issue a press release which, on the basis of what we have been told, was not true.

The other day the minister tried to carry us away by saying that Mr. Spencer was dismissed under a law passed during the days of the Conservative administration. Let us just look at it. The section in question had been in effect for years, though it was worded differently. I am going to read the two sets of wording. The sections were rearranged, and there was only a change of wording.

Mr. Pickersgill: I should like to ask the right hon. gentleman a question. Does the right hon. gentleman not take responsibility for the legislation that his government introduced?

Mr. Diefenbaker: Yes, all of it. There is nothing more helpful, Mr. Chairman, than that kind of interruption. We are trying to make the government responsible for some of the things they have been doing and which they have been hiding over the last several weeks. We have been smoking them out. The old section 52 of the Civil Service Act read as follows:

Subject to section 3, nothing herein contained shall impair the power of the governor in council to remove or dismiss any deputy head, officer, clerk or employee, but no such deputy head, officer,

clerk or employee, whose appointment is of a permanent nature, shall be removed from office except by authority of the governor in council.

That was the law all through the years, but in 1960-61 the wording was changed and the section renumbered to section 50, which now reads as follows:

(1) The tenure of office of an employee is during the pleasure of Her Majesty, subject to the provisions of this and any other act and the regulations thereunder, and, unless some other period of employment is specified, for an indeterminate period.

(2) Nothing in this act shall be construed to limit or affect the right or power of the governor in council to remove or dismiss any employee.

The two sections, in effect, are identical, although the minister, not having read the earlier section, tried to leave the impression that something new had been added.

Mr. Pickersgill: May I ask the right hon. gentleman a factual question. Did his government not take the responsibility for the revised bill that was introduced in this house and passed?

Mr. Diefenbaker: Mr. Chairman, with the assistance of the hon. member and those who sit on the other side who were in the house at the time, who all agreed with the legislation. Some time ago the hon. gentleman himself joined in this, and I just have to recall it to his mind.

We are now dealing with the question of the security of Canada. The minister says he believes in truth. I would only ask, after the deception practised by this government in this matter, what is their definition of truth? It has been a sinuous course, revealing a bit here and a bit there.

As far as Mr. Wagner is concerned, he knows them well. He said he could not understand why they will not act. What is the reason that the government will not act? I should like the government to tell the truth in this connection. Why will the government not set up a commission on crime? Why will they not set up a commission to look into this matter in secret, while preserving and protecting the security of the nation? All we want is the truth, and from the very beginning we have not had it.

I had to read in the paper today that Spencer was a communist and that he was thrown out of the communist party. I had to read in the paper because we did not learn it in the house, what was his age. We have never been able to find out when he came to Canada, although there is an indication that he has been here quite a number of years. Why is the whole story not told? What is behind this? No matter whether the government is able to command a majority or is not, in every part of this nation people are asking what is behind this, why the government is not acting.

It is a difficult problem. We are all held in check by our oath of office as privy councillors. Therefore the only place where a full and complete explanation can be made would be in a commission inquiry, I would say headed by one supreme court judge. Two of the judges are greatly experienced and served during the days of Gouzenko.

Let us get to the bottom of this, Mr. Chairman. Let hon. members not take my word for it; let them take Mr. Wagner's word. He looks forward to the government changing its mind, to retreating and appointing a commission on crime. According to Mr. Wagner: "They will reverse their decision." So he knows them. He said that people who act pusillanimously always reverse themselves. These are the terms of the minister of justice of the province of Quebec, commenting upon the decision of his counterpart the Minister of Justice of Canada not to act on Quebec's demand to set up a royal commission to deal with organized crime.

He also said— and these words come from an outstanding Liberal who knows these ministers—"They must be afraid of something". Has he any basis for saying that? He said that they must be afraid of something, to refuse an inquiry in such a cavalier fashion, as though this was a request for a hunting licence. Can you imagine anything more deadly or condemnatory than those words which are to be found in the press yesterday, those words of condemnation? He also said "I want Ottawa to give reasons for their refusal". But he lives in hope. Anyone, he says, who gives a pusillanimous decision will always retreat.

• (12:20 p.m.)

Now, sir, let us go back to the explanation of the Prime Minister. On February 23 he went into detail regarding this case and he said this at page 1682:

Not only did I study the details of this case and discuss them again with my ministerial colleagues who were more particularly concerned, but I examined other security cases in the last ten years which might throw some light on the justifiability or otherwise of the procedure followed in this instance—certain cases which were of very direct and immediate concern to the government of the day, which was the government preceding this government.

As I have stated before, you will find problems such as this, and they do come up. I do not criticize any government for its action

in preserving the security of the nation, but what I do criticize is that the Secretary of State for External Affairs rushed into print, and what was denied over and over again by the Minister of Justice became official. The identification finally became official when the minister on television marked this man as a wrongdoer, as a traitor and as a despicable individual, undermining this country.

Mr. Nielsen: That is right.

Mr. Diefenbaker: And he named him. It is all very well to try to get away with that, but there is no excuse that the minister can give; there is no excuse at all. He said, "That is not the truth." May I point out what the Prime Minister said, on page 1682:

> In the first place, Mr. Spencer himself has admitted, voluntarily admitted, improper activities which in the view of the government made his dismissal from the civil service of Canada not only desirable but necessary.

I understand that, but that is not what we are dealing with at the moment. We are dealing with the question of security and the way in which it was bungled callously, the facts concealed by this government; and only by the process of daily extraction, by one admission after another, do we finally see the picture as it is.

The Prime Minister says that in so far as section 50 of the Civil Service Act is concerned—

> Mr. Spencer was in my view treated fairly.

He goes on to say:

> —he was given a hearing by a senior official of the Civil Service Commission.

Well, I cannot understand what kind of hearing that would be, bringing a hired man before the hired man's boss. This man has already been found to be a wrongdoer. Sir, the Prime Minister goes on to say:

> The law officers of the crown had advised against instituting criminal proceedings against Mr. Spencer and proceedings were not taken. The primary purpose of the investigations in which Mr. Spencer himself was involved—and he was certainly only one of the persons involved in those investigations—was to identify, if possible, and remove a threat to the national security.

Sir, we want to know that the national security is free from the inexcusable ineptitude and worse that this case has revealed. We should not have to press away for this information. Surely in the interests of common justice a commission is the only way. Surely I am right. What else is there?

The other day the minister or the Prime Minister hid behind a smokescreen and said, "Oh, he is perfectly satisfied." You could almost see Spencer exuding his happiness at the events which have taken place, and at the way he was treated.

We find that there was a letter written, thrown up in the air, "To whom it may concern," which covered doctors, mounted policemen, consideration of his operation, and those sorts of things. That was no approval of the conduct of this government. That letter was simply a statement of appreciation of a man who was in hospital and had an operation. It was addressed "To whom it may concern". There is not a word, never a suggestion that he approved of his treatment, except through the medium of that letter.

We had to find out about this, and it came out yesterday in a very unusual way. We had to find out which letters were written. The reason a question was asked by me was that it was obvious from the appearance of the ministers that there was something not exactly in accordance with the facts as revealed by the Minister of Justice. The hon. member for Yukon said on page 2055 of *Hansard*:

> —may I ask the Minister of Justice whether he has received any recent communication from Victor Spencer which would constitute further evidence in support of a judicial hearing, as has been demanded by the opposition in this house?

The answer was:

> No, Mr. Speaker.

Then I asked the Prime Minister this:

> During the course of the investigation and during the last few months has the government of Canada received a letter from Spencer setting forth his side of the case and, in that letter, giving a great deal of information?

As far as that letter is concerned, when the Prime Minister says the national security demands that it be not produced, I can go along with him. I can realize that would be the result of the publication of such a letter. However, that letter should be before a judge in a commission to get the facts. We cannot have that letter. The security of the country is of first consideration. But that does not deny if injustice is done, or even where it only appears to have been done, this case ought to come before a commission and be thoroughly gone into.

The Prime Minister at page 2056 of *Hansard* said:

> This was many months ago—explaining the nature of his own improper conduct. The government also received a communication from Mr. Spencer some weeks ago—"To whom it may concern"—thanking the R.C.M.P. and others who have been with him during these difficult months for the courtesy and consideration he received.

That was supposed to be approval of the kind of treatment he has been subjected to.

Sir, I come back to the point where I began. The revelations made by the Minister of Justice and by the Prime Minister in the last three or four days call out for an investigation. They are hiding something. They have hidden and concealed matters, one after the other, until finally, as information comes out in the press, they gradually back up and reveal a little more.

We want the facts of this case. If there has been wrongdoing at any other times it can all be brought out in a commission. It should be held, to assure us that Canada's security shall be maintained. Because, sir, if this matter is allowed to stand in its present form it means that a government can point out, designate, condemn, and a person has no recourse. Surely we have not come to that in this country?

Mr. Nielsen: We have not.

Mr. Diefenbaker: I again impress on the government the need of action. I know the Minister of Justice is not acquainted with these things. He is seldom before the courts at any time, according to what I am told. Yet he is able to tell us that he knows everything has been well done. It is not enough, sir. There has been too much hiding, too much concealment and deception practised on this house in the last few weeks in this connection.

I would not have believed it possible. In saying that I am making due allowance for hon. members sitting on the other side of the house. I would not have believed it possible that ministers of the crown would come before parliament and give the house a self-exculpatory, ill-digested and incomplete story, as this is.

Again I say that so far as the rest of the estimates are concerned, I think in general they will be accepted. Indeed, we are not going to be put in the position of having the government say "We will get this through because we have got to get supply." Bring in a supply bill immediately covering all the departments which have been passed so far and we will put it through at once.

• (12:30 p.m.)

An hon. Member: And the ones that have not been passed?

Mr. Diefenbaker: We shall do it at once and I am sure the house will consent. But we do not intend to be placed in a position where the government can delude the house, conceal things, fail to reveal facts which the house should know and hide behind the bulwark of security. We do not want any information which will reveal the secret operations of the R.C.M.P. But what has been stated here? The alleged trump card of the other day reveals that this man must have been operating for a long time unknown to the mounted police, trying to build up espionage networks within this country and outside apparently. Is it not a strange, puzzling story? If that is so, if he was able to get away with it, then there needs to be some checking up on our security activities.

This case has left a bad impression in the minds of many Canadians. No amount of insistence by the minister that this is a routine case can erase that impression. The failure to discover the truth in this case will be a black day in Canada's security history. There the minister is on television with two million people listening to him and he gives the man's name, his activities and his wrongdoing. The minister pretended the other day that this man was so well satisfied that he had not uttered a squeak. We find that this is not quite so. Even now, after all the denials which have been made by the Prime Minister and the Minister of Justice, do you not think, Mr. Chairman, that in the interest, first of all, of assuring that not only shall justice be done but that it shall appear to have been done, and also in the interest of assuring that our security measures are not honeycombed by weakness, failure or bad administrative technique, some positive step should be taken to deal with this situation?

When we had the investigation which was undertaken by the government of the day in 1945-46 a great deal was revealed. Evidence was brought out which showed the creation, not in embryo but the actual creation, of an espionage group operating against the welfare of the country to which its members owed allegiance. They were cleared out. The innocent were acquitted and the guilty were convicted. Let us have another such investigation behind closed doors now in the interests of security.

Mr. Cardin: In the course of this debate, which has been a most important one covering important subjects, there have been many speeches, particularly on the Spencer case. Some of these speeches were extremely hard-hitting, using very strong language. I refer particularly to the speeches made by the hon. member for Burnaby-Coquitlam and the hon. member for York South. Although I do not

and cannot agree with their conclusions I accept their right in the house to express their opinions and their feelings in as strong a language as they desire. I feel this is completely in accord with the practice of debate in the House of Commons.

But I do not consider the remarks which have just been made by the leader of the Opposition belong in that category. The speech made by the Leader of the Opposition on this occasion, as on other occasions in the past, shows one thing. right from the beginning the purpose of the right hon. gentleman is evident. He uses such phrases as "the Minister of Justice, who has not had very much practice in law, is telling us". Well, he can save his breath if he is trying to prove to the committee that I am not an expert in law. I am not an expert in law. But I do have good officials in the Department of Justice and I know just about enough law to be able to detect phony arguments.

Some hon. Members: Hear, hear.

Mr. Cardin: From the speech the right hon. gentleman made this afternoon and from statements he has made both inside and outside the house it is quite clear to me that the great executioner is now after my political neck.

Mr. Diefenbaker: You committed suicide yourself.

Mr. Cardin: The right hon. gentleman's performance would have been as good and his speech would have been as vicious if in fact I had prosecuted Spencer and if I had not had proper surveillance mounted in regard to him. The real issue is not Spencer. This is merely an excuse to put into effect the execution which the hon. member has wanted to carry out for quite some time.

Some hon. Members: Hear, hear.

Mr. Cardin: In a speech not so very long ago he referred to me as a dwarf parading around in clothing I had inherited from a giant. I can tell the hon. member this: I would rather be a dwarf clothed in giant's garments—I presume the hon. member thinks he is among the giants—than be a giant clothed in dwarf's clothing, because there is much more exposed.

For the past 14 years I have sat in this house and I have watched the hon. member pummel away at a chosen political opponent, heaping abuse, ridicule, scorn, accusations and insinuations of all sorts upon him with evident delight. Of course, he could be considered by some to be a great political debater, a great fighter except for one thing. The right hon. gentleman has a glass chin. He can't take it. He cannot take the least possible criticism, nor has he done so in the past.

• (12:40 p.m.)

Some hon. Members: Hear, hear.

Some hon. Members: Oh, oh.

Mr. Cardin: All right. Hon. members say that is not so. On Friday the hon. member for Yukon and again today the right hon. gentleman mentioned the speech I made four or five years ago when I dared to criticize the right hon. gentleman, when I dared to criticize the untouchable one because of his attitude as prime minister of this country.

Not only did I believe and do I now believe that every word I said at that time was right, but the right hon. gentleman, with his vicious attacks on individuals, his irresponsible accusations and insinuations in this house, is proving me to be right day by day.

Some hon. Members: Hear, hear.

Mr. Cardin: Mr. Chairman, the right hon. gentleman has not learned. He is still blasting his way through paper walls and open doorways. He is blasting himself out of the leadership of his party and out of parliament and maybe, Mr. Chairman, when that is done we will be able to do some work in this chamber.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: You have the Prime Minister applauding now.

Mr. Cardin: The right hon. gentleman knows that the problem of national security is an important one. Does he believe that the performance he has put on this afternoon is going to help in any way to solve that problem? Does he believe that the performance he has put on this afternoon is going to add any dignity or prestige to parliament? This is stirring up hostility in the house far beyond what is normal and necessary in debates in the house.

Mr. Ricard: What are you doing yourself?

Mr. Cardin: Mr. Chairman, it would seem to me that the right hon. gentleman has unfortunately attained a degree of political conceit that every time he decides to make loud noises he expects the government, parliament, and everyone in it to jump. Well, I refuse to jump.

Some hon. Members: Hear, hear.

Mr. Cardin: I have made my case.

Mr. Diefenbaker: Tell us about Mr. Wagner.

Mr. Cardin: Whether or not hon. members opposite agree with it, I have made my case. I am convinced of the correctness of the decision I have made and there is not one person in the house who is going to make me say I am wrong when I know I am right.

I am willing to listen to hon. members on all sides of the house who bring forward criticisms and constructive advice on the difficult problems concerning the administration of security matters. But a while ago the right hon. gentleman was accusing us of hiding the truth, of hiding evidence from the committee. Well, I can tell the right hon. gentleman that of all the members of the House of Commons he—I repeat, he—is the very last person in the house who can afford to give advice on the handling of security cases in Canada.

Some hon. Members: Hear, hear.

Mr. Cardin: And I am not kidding.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: And again applause from the Prime Minister. I want that on the record.

Mr. Cardin: I understand the right hon. gentleman said he wants that on the record. Would he want me to go on and give more?

Some hon. Members: Go on. He wants it.

Mr. Cardin: Very well.

Some hon. Members: Hear, hear.

Mr. Cardin: I want the right hon. gentleman to tell the house about his participation in the Monseignor case when he was prime minister of this country.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I am not worried. Have your commission look into it. Put it on the agenda.

Some hon. Members: Oh, oh.

The Chairman: Order, please.

Mr. Cardin: Mr. Chairman—

Mr. Muir (Cape Breton North and Victoria): Speak up or shut up.

Mr. Cardin: I have spoken. Let the right hon. gentleman speak. Mr. Chairman, I think I have said all I have to say on the Spencer case.

Mr. Diefenbaker: None of those false threats mean anything. Now, go to it.

Mr. Cardin: They are not false threats. The Spencer case was an important one. It was a most difficult one. I have done all I could to try to inform the house of matters that I could and to try and explain the reason this case was unusual. As I have mentioned on many occasions, the only difference in this case is the fact that Spencer identified himself three weeks before I did.

Other important matters have been raised during the course of the debate, about which I would like to say a few words. Speeches have been made, and very good ones, on the question of bankruptcy. I want to refer particularly to the speech made by the hon. member for Greenwood and the speech made by the hon. member for Broadview. I wish to thank the hon. members for the suggestions they made in the course of that debate.

I am also very anxious to explain to members of the committee the difficulty which the Minister of Justice has in trying to administer a very complicated, awkward and obsolete Act, in trying to deal with what has become sophisticated and, I understand, organized crime in the field of bankruptcies.

Mr. Diefenbaker: That is not what Mr. Kierans says.

Mr. Cardin: Mr. Chairman, some confusion has arisen in the minds of hon. members and of people outside the house, between fraudulent bankruptcies and pre-bankruptcy frauds, and in order to explain this may I give an example, say, of arson being committed or theft or misappropriation of funds which leads to a bankruptcy. In that case it could be considered as a fraudulent bankruptcy, but there we are mistaking the cause and the effect and I think it is important that this distinction be made.

I am not trying in any way to minimize the responsibility of the federal government in the field of bankruptcy but I think it is important that that position be made clear. Contrary to what hon. members have said, it is not true to suggest that the government has done nothing about the problem of bankruptcy during the past two years. It is not true to say that the government has been unconcerned about the most disconcerting activities and crimes that have been committed in this field, and I should like to state some of the steps that have been taken in this matter.

For instance, just recently important amendments to the Bankruptcy Act were introduced in the other place, and I should like to explain the reason why this was done. It would not have been possible for me to introduce those amendments to the Bankruptcy Act in this house before another five to six weeks, which to my mind was too long a delay, and I felt that by introducing the amendments in the Senate members of this house would have an opportunity to see the bill, to study it, to be prepared and then be in a position to pass the legislation as quickly as possible so that the proper action can be taken as soon as possible.

• (12:50 p.m.)

Mr. Brewin: Would the minister permit a question at this stage? I understood him to say that there is need for speed in passing these amendments. Does he not think that this subject, because it is a tremendously important one politically and otherwise, should be discussed by a committee of this house? This whole subject involves not only the question of legislation but the question of the administration of the Act. Should this not be dealt with by a committee of this house rather than leaving the other place to look after a matter so important?

Mr. Cardin: I understand that by following the procedure I have suggested we are taking this first step in the Senate. There is no question in my mind that this matter can be considered by a committee of this house but at least the first part of this operation will have been completed.

I should like to state also that the measures which will be brought before the house will extend the powers of the superintendent to do those very things which hon. members in the house claim can be done under section 3(3)(e) of the Act. I maintain that they cannot be done now. The superintendent of bankruptcy under the present Act can investigate matters that fall within the estate, but he cannot investigate matters that are outside the estate. At the present time there is no power by which the superintendent of bankruptcy is able to follow leads with regard to the estate in bankruptcy which may lead him outside the estate or to obtain search warrants or to inquire into all sorts of activities which may not be directly in the estate in bankruptcy. That is the area in which most of the evidence is to be found in respect of what some people call fraudulent bankruptcies.

[Mr. Cardin.]

According to the present Act the superintendent has no power to investigate negotiations, contracts or events that have taken place before or after the bankruptcy, and the reason for this is quite clear. In 1949 when the act was passed Mr. Garson, in explaining the purposes of the bill, said, as reported in the proceedings of the Senate and house committee on bankruptcy:

> The bill increases "creditor control" over an estate by vesting directly in the creditors and inspectors a number of responsibilities and obligations in respect of which they were previously required to resort to the court.

As a result of this trustees, creditors, and inspectors who are named by the trustees and who are not part of the bankruptcy division have in effect more power than the superintendent to launch investigations into matters, whether criminal or otherwise, either within or outside the bankruptcies. We have but to refer to sections 120, 121 and 122 to verify that fact.

What has really happened is that on the basis of the present Act the control has broken down completely. The superintendent, because of the act, does not have sufficient power to carry out the investigations that are required in this sophisticated field of crime. The amendments will give the superintendent more power to investigate not only within a bankrupt estate but outside as well. He will then be able to follow whatever leads he discovers. He will have power to call for witnesses and obtain search warrants to get at the real core of the problem in this regard. As far back as 1964 a measure was taken—

Mr. Nielsen: May I ask the minister a question before he leaves that point? Has the minister or the government discussed this aspect of following leads, wherever the superintendent finds them, with the attorneys general of the provinces?

Mr. Cardin: Yes, indeed. If you allow me to complete my remarks I think you will find I will have covered that very point. As far back as 1964 the federal government was in touch with the Quebec authorities in an attempt to work out co-operative measures in the field of fraudulent bankruptcy, which is in fact a field falling within the jurisdictions of both governments.

The third measure we have taken is the institution of regular audits of the administration of trustees by the comptroller of the treasury. This was initiated as far back as April, 1964 and it has proven to be an

effective check on the administration of trustees. This has led to the discovery of some irregularities and some prosecutions.

As the fourth measure I can inform the committee that in 1963 there were 33 bankruptcies investigated by the R.C.M.P., in 1964 the R.C.M.P. investigated 185 bankruptcies, in 1965 they investigated 123 and in 1966 so far they have investigated 32, making a total of 373 bankruptcy investigations since 1963. In addition, there have been some 200 employees of bankrupts who have in fact been investigated by the R.C.M.P. during this same period. As a result 11 trustees have lost their licences and 12 trustees have been restricted in order that they may complete the estates in hand under the very strict supervision of the superintendent of bankruptcy. No new estates are being granted to these people.

Although there may not be reason for being overly proud there is at least some indication that the measures we have taken have had some effect, because in 1964 there were 5,562 estates in bankruptcies reported and in 1965 there were 5,003. I am not saying that this is a world-shaking record but I do say that it indicates a tendency in the right direction.

We are also giving extremely careful scrutiny in regard to all applicants for licences as trustees. This includes an examination by the R.C.M.P. and, as a matter of fact, there have been no new licences for trustees given since April 20, 1965. Moreover, the superintendent and I are busily engaged in setting up a selective board to which people who are interested in becoming trustees will have to come. That board will be able to examine their qualifications as well as their integrity and look into the applications to a greater degree than has ever been possible in the past. We have also instituted unexpected spot checks by the R.C.M.P. of the administration by trustees in cases about which we have had some doubt. This also has proven to be quite useful.

As a seventh measure the superintendent of bankruptcy is now preparing a book of regulations giving rules and procedures that the trustees must follow meticulously. This will mean that the procedures followed will be uniform throughout the country.

As an eighth measure negotiations have been successfully carried out by the provincial and federal government to appoint an additional superior court judge to sit and act exclusively in respect of bankruptcy matters.

• (1:00 p.m.)

Ninth, there have been and there are extensive plans to increase the staff of the bankruptcy branch, including the locating of representatives of the superintendent in Toronto and Montreal. I think the man suggested for Toronto has pretty well been decided upon and the man for Montreal is still being considered. In the bankruptcy division four additional positions have been created for auditors. Two additional positions for investigators have also been created as well as an additional five members of the clerical staff. In addition, Mr. Chairman—and this is the main point of our program— we are going to organize a bankruptcy squad made up of specialists, including accountants and investigators, who will be able to carry out these specialized inspections far more effectively than the police. This is no reflection on the police.

Mr. Nielsen: Hear, hear.

Mr. Cardin: The investigation of these matters is most difficult because it requires a great deal of knowledge of bookkeeping, corporation and commercial law and a special type of knowledge of the transactions of business. The result is that the superintendent, with the greater powers he has been given and the additional help he will have, will be able to look into the particular area in which most of the trouble has occurred, what is called the grey area in bankruptcy. This is the area where suspicion of irregularities exists but not to the extent where provincial and local law enforcement officers think they are justified in carrying out a full scale investigation of the matter. Bankruptcy squad individuals, as I mentioned a while ago—I think this is important—would not only look into a bankruptcy where there was suspicion of irregularity but would go wherever the evidence might lead them. In my opinion, Mr. Chairman, this would get at the nub of the problem.

Further, in order to ensure the greatest possible co-ordination between the federal and provincial governments in this field of divided jurisdiction, particularly as it relates to the grey area—this answers the question posed just now by the hon. member for Yukon—it was agreed at a meeting of the Attorneys General with regard to organized crime, held last January, that a standing federal-provincial committee on bankruptcy be set up, and it was. It is composed of the

deputy attorney general of Ontario, the deputy attorney general of Quebec and the superintendent of the bankruptcy here in Ottawa.

This committee has met and important steps have been taken to co-ordinate the efforts of both jurisdictions in a field which requires this co-ordination, particularly in the area in which I belive most of the loopholes exist. This committee will be able to block these loopholes and put a stop to what we call fraudulent bankruptcies. I am not saying that this is the complete answer to the problems of bankruptcy but I am saying it is not true that this government has done nothing in the field of bankruptcy.

The government has taken a tremendous step forward in order to stop these fraudulent bankruptcies. It is giving full co-operation to the provinces in order that we may stamp out these terrible crimes. I also say without batting an eyelid that this government has done more in the field of bankruptcy than has ever been done since the inception of the law in 1950.

When I was given this portfolio in July I found in the department a young, aggressive, competent lawyer in charge of bankruptcy. He has been in the department since April, 1965. He has very far reaching and I would say progressive ideas about the administration of the Bankruptcy Act, particularly in the light of present day circumstances. As a matter of fact, he has already started to put some of his ideas into effect. Included in this program is a complete revision of the Bankruptcy Act, which I would tell the committee is in my humble opinion absolutely essential if we are to deal effectively with the present day problems of bankruptcy.

The Deputy Chairman: Order. I regret to interrupt the Minister of Justice but the time allotted for his speech has expired.

Some hon. Members: Continue.

The Deputy Chairman: Do I understand there is unanimous consent that the Minister of Justice may continue his remarks?

Some hon. Members: Continue.

Mr. Nielsen: Mr. Chairman, I am sure the committee will give unanimous consent because we have been waiting for weeks for these explanations.

Some hon. Members: Oh, oh.

Mr. Prittie: Mr. Chairman, at this point may I ask the minister whether it is his intention to review at this time any of the questions raised during this session with regard to the Combines Investigation Act?

Mr. Cardin: Mr. Chairman, in answering the hon. gentleman I would say that the Combines Investigation Act falls under the jurisdiction of the President of the Privy Council who I presume will be dealing with those questions.

Mr. Grégoire: Mr. Chairman, may I ask the Minister of Justice whether he intends to reply to the supplementary questions I asked the other day concerning the notorious R.C.M.P. card issued to a former executive assistant under the previous Conservative government?

Mr. Cardin: Mr. Chairman, I am not prepared to answer at this time but I shall see whether it may not be possible to answer during the day.

To come back to the question of bankruptcy, Mr. Chairman, I think there have been complaints in this field ever since 1950, the very year in which the Bankruptcy Act was passed, and with reason. When the Bankruptcy Act was passed in 1950 the draftsmen did not take the advice, recommendations and suggestions put forward by the Canadian Bar Association who recommended strongly at that time that more power be given to the superintendent. I think this is part of the reason for the problem we have faced in this field ever since that time.

Since 1960 the department has received 47 briefs from industry, Canadian labour associations, the Canadian Manufacturers' Association and other organizations. Briefs have also been received from the Canadian Bar Association, unions and a host of people who are directly concerned with and affected by the Bankruptcy Act. These voluminous briefs have been studied by the Department of Justice since that time. Not only have they been studied but the department has also been working on plans for the revision of the Bankruptcy Act. I would point out to the committee that this is not an easy task as matters now stand because both federal and provincial jurisdictions are involved in this field.

The department has now completed its study of the briefs and plans for the revision of the Act. I announced recently that a special committee of three had been set up and was working on completing the revision of the Bankruptcy Act. I mentioned that Mr. Honsberger, who is a practicing lawyer in Toronto,

is one member of this committee. I understand he is an authority on bankruptcy and we feel sure he will be able to contribute a great deal in attempting to arrive at a practicable revision of the Act. We also have Mr. Carignan who is a very distinguished lawyer in Montreal and who has a great deal to contribute to the revision of the Act. We have the young superintendent of bankruptcy who is a lawyer well versed in this subject and who is taking his job very seriously. I have the greatest esteem for him.

• (1:10 p.m.)

I met with this committee not very long ago and I can tell hon. members that the committee was surprised at the amount of work that had already been done on this question in the study of briefs as well as in preparations for the revision of the act. One member of the committee told me that because of the work that had already been done within the department it may not take a year for them to make their report.

Included in our considerations of the revision of the Act, I think hon. members will agree that a hard and long look should be taken also at the Winding-up Act which I understand has caused some difficulties in the past.

Mr. Nielsen: May I ask the minister at this stage under which minister's jurisdiction the Winding-up Act comes?

Mr. Cardin: Ours.

Mr. Nielsen: Of the three ministers?

Mr. Cardin: Mine. I should like to remind the committee that there are plans to set up a permanent registration for recording complaints made to trustees, something, strange as it may seem, that has never been done since the inception of that act. I submit respectfully to the committee that these are practicable, useful measures which may not eradicate the problem completely but which go a long way toward arriving at a solution.

When one listens to the Leader of the Opposition and the hon. member for Yukon one gets the definite idea that not only has the government done absolutely nothing in the field of bankruptcy since it has been in power but that somehow we actually invented bankruptcy, that there were virtually no fraudulent bankruptcies before 1963.

Mr. Diefenbaker: They have multiplied three times in total under this government.

Mr. Cardin: Just a moment.

Mr. Diefenbaker: No more blackmail.

Mr. Cardin: The hon. member says, no more blackmail. Just listen and let us see what is true.

Mr. Diefenbaker: Mr. Kierans told us what was true, that the Department of Justice could not operate under this government.

Mr. Cardin: The other day the hon. member for Yukon, in referring to the Mercier report, intimated he had never seen a more condemnatory report. Never in his lifetime had he seen a more condemnatory report. Apparently he has not read it because the period covered by the Mercier report extends from January 1, 1959 to February 1, 1965. This means that the Mercier report is four times more condemnatory of the Conservative party than it is of us because it covers a period of four and a half years of Conservative administration compared to one and a half years of our administration.

Mr. Diefenbaker: That is not what the hon. Mr. Kierans said.

Mr. Cardin: We will get to what he said. The offences in relation to bankruptcy which were recently prosecuted in Quebec were committed as far back as 1959. They included arson, fraud, perjury, theft and conspiracy. Well, Mr. Chairman, what did Sherlock Holmes do about these scandals that occurred in his time? Did he put any questions on the order paper? Did he inform the press by giving it information that his government was corrupt? Did he travel around the country with a magnifying glass looking for evidence.

Mr. Nielsen: May I ask the minister if he is saying that the previous administration was corrupt?

Mr. Cardin: I beg your pardon?

Mr. Nielsen: May I ask the minister if what he is saying is that the previous administration was corrupt?

Mr. Cardin: No, I asked why the hon. member did not say it was corrupt if the Mercier report is as condemnatory as he implied it was but according to him exclusively of the present administration—

Mr. Nielsen: Who said so?

Mr. Cardin: You did.

Mr. Nielsen: Nonsense.

Mr. Cardin: Look at your speech.

Mr. Nielsen: Nonsense.

Mr. Cardin: I say that there has been a bankruptcy problem and that problem existed

long before we took power. It is wrong for either the hon. member for Yukon or the Leader of the Opposition to lead the people of the country to believe that we are solely responsible for the fraudulent bankruptcies, because the previous government did nothing in connection with bankruptcies. They did not make one amendment in the Bankruptcy Act; they did not add one messenger boy to the depleted staff of the bankruptcy division.

Last November the hon. member for Yukon and the Leader of the Opposition in the house and in the country made irresponsible and unfounded statements to the effect that the government was not concerned at all about bankruptcies.

Mr. Diefenbaker: That is exactly what Mr. Kierans said. He said you would not act.

Mr. Nielsen: Mr. Wagner is saying it too.

Mr. Diefenbaker: Mr. Wagner is saying it now and they both know you very well.

Mr. Cardin: They said the government had not been concerned about bankruptcies, and that we were negligent in our administration. Yet they had done nothing, while I have put on the record a list of the things we have done which are infinitely more and better than the things the previous government did. What is more serious, what is more dangerous, is the fact that both of these hon. gentlemen have deliberately engaged in what are false and insidious insinuations to the effect that somehow or other the government is directly responsible for and linked with the crimes surrounding bankruptcies, whether it be perjury, fraud, theft or embezzlement, and they have even insinuated that perhaps we are connected with murder.

In my opinion, Mr. Chairman, there is nothing as detrimental to parliament and to the prestige of any member of government as this type of insidious insinuation.

Mr. Diefenbaker: Would the minister answer one question? What did Mr. Kierans say about it and what does Mr. Wagner say about it?

Mr. Cardin: I would suggest that the hon. gentleman follow the rules and speak only when his time comes.

Mr. Diefenbaker: You cannot answer. You like to indulge in cheap insinuations and you cannot face the facts.

[Mr. Cardin.]

Mr. Cardin: I submit, regardless of what the right hon. gentleman says—I agree he is a far better orator than I, but he is no more truthful.

Mr. Diefenbaker: No, that is right; that is a high tribute.

Mr. Cardin: Mr. Chairman, I know that—

The Deputy Chairman: Order. The Minister of Justice has the floor and I would ask hon. members to reserve their remarks until the minister has completed his speech.

Mr. Diefenbaker: We wanted him to make a statement but we are not going to sit silent during his extra time when a lot of untruths and scurrilous abuse are passing his lips. We do not intend to be quiet in that situation.

Mr. Cardin: I can recall several speeches when the right hon. gentleman spoke for a long period and I am not ready to say everything he said on those occasions was true. We sat and listened. Now it is my turn to speak, and I will tell the truth.

• (1:20 p.m.)

I do not think I am being oversensitive about this, but I believe it is an indisputable fact that the right hon. gentleman and the hon. member for Yukon have been making insinuations which are not only detrimental to our party but which in fact will destroy parliament if they continue. I submit to members of the committee that it is an inexcusable and outrageous abuse of the authority and prestige of the right hon. gentleman in his position of leader of his party to act in this way. To the hon. member for Yukon I say it is indicative of a juvenile propensity for playing at being a famous detective rather than being, like the rest of us, an ordinary member of parliament.

Strangely enough, both these hon. gentlemen are lawyers and as such know very well that the administration of justice and the enforcement of the Criminal Code have been, are and will be a provincial responsibility as long as the constitution remains as it is. The division of responsibility in the field of bankruptcy between the federal and provincial governments has always been recognized, and this was confirmed not so very long ago at the last meeting of the Attorneys General in January.

I repeat that I am not trying to shirk responsibility on behalf of the government in the field of bankruptcy. I am saying that I am absolutely convinced that the Royal Canadian Mounted Police, the Department of

Justice and the superintendent of bankruptcy are all giving full co-operation to the provinces to try to wipe out this most disconcerting crime which is affecting everybody in Canada. As a government we are most concerned and eager to help in every way we can in what is becoming a serious problem of crime, particularly in Quebec.

Reference was made a while ago by the right hon. gentleman to this point. He again insinuated that we did not want a royal commission because we were afraid of one.

Mr. Diefenbaker: That is what Mr. Wagner said.

Mr. Cardin: Let Mr. Wagner say what he wants. You stand by your own statements.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: But he knows.

Mr. Churchill: Would the minister permit a question?

Mr. Cardin: Personally I am not afraid, nor is the government, of any kind of inquiry.

Mr. Diefenbaker: That is not what Mr. Wagner says.

Mr. Cardin: We are not afraid of an inquiry of any kind in this or in any other field. But one thing is very important and that is that the government cannot and should not be pushed around by anyone who tries to do so for political reasons.

Mr. Churchill: Would the minister permit a question?

Mr. Diefenbaker: Are you not speaking for political reasons?

Some hon. Members: Oh, oh.

Mr. Churchill: Is the minister afraid to answer a question? I have asked him four times.

Mr. Cardin: Ask it afterwards. This is a really important subject but everyone makes a laughingstock of it. People accuse us of being afraid of doing this and doing that. When I try to make a reasonable answer, and I believe I have that right, I am scorned. The right hon. gentleman uses the same kind of scorn of which I accused him four years ago. He is using the same scorn now.

The real answer is this. We are worried about the difficult problem of crime in Canada and it is because—

Mr. Diefenbaker: Then why don't you set up a commission on crime?

Mr. Cardin: Why don't you shut up?

Some hon. Members: Oh, oh.

The Deputy Chairman: Order.

Mr. Churchill: That statement is not very judicial.

The Deputy Chairman: Order, please. Will the minister please resume his seat. I intervene to ask hon. members on all sides of the house, north, south, east and west, please to co-operate with the Chair, which has a little difficulty hearing the expressions of view which are being made on both sides. I think hon. gentlemen should listen and reserve their remarks until a later time.

Mr. Cardin: Mr. Chairman, I sincerely apologize to the right hon. gentleman; this I do very sincerely. However, I think he knows, as I know, that sometimes one gets provoked beyond a certain point. I apologize for having used those last words.

Mr. Diefenbaker: We all do that.

Mr. Cardin: I think all hon. members will agree that the question of crime is an important one. The problem of crime in Canada is so serious and difficult that this is not the time for anyone to panic. It is not the time to run in two or three directions at the same time. Perhaps the appointment of a royal commission would be one method to deal with it. The government has stated it will look into this matter, but my feeling is that this is not the time for panic.

It seems to me that at the meeting of the Attorneys General held last January on organized crime important steps were taken to deal with this very problem of organized crime. Certainly more steps and measures can be taken, but I cannot help but think that the Attorneys General, individually and collectively, with the assistance of the federal government are the people who are most knowledgeable and have the most experience of organized crime and are also in the best position to deal with this great problem.

Mr. Nielsen: Wagner is asking for a commission.

Mr. Cardin: Perhaps he is, but is that the right thing to do? I have not answered that yet. Hon. gentlemen have asked for a royal commission in the Spencer case but I feel this is not the answer. I am saying that because the government does not automatically grant something it is not necessarily wrong. One has to judge first of all whether something is good before taking action. If it is not good,

then you do not take action. This is what we are doing in this case.

Mr. Diefenbaker: Is that what you call pusillanimity?

Mr. Cardin: What about the Mercier report? This is also an important factor. I think it will surprise many people to know that when we received the Mercier report some time ago—

Mr. Nielsen: Would the minister tell us when the government received it?

• (1:30 p.m.)

Mr. Cardin: You should know. You were here when it was tabled.

Mr. Nielsen: We cannot hear what the minister has to say.

Mr. Diefenbaker: He does not know.

Mr. Cardin: I am not going to do the hon. member's homework. When we received the Mercier report—

Mr. Fulton: All we ask is that you do your own.

Mr. Cardin: I beg your pardon?

Mr. Fulton: I said, do your own.

Mr. Cardin: Mr. Chairman, when we received the Mercier report—

Mr. Diefenbaker: When?

Mr. Cardin: Last June.

Mr. Nielsen: Last June?

Mr. Cardin: Somewhere around there. I am not sure when. However, as soon as we got the report I immediately wrote to the Quebec authorities in order to be able to get information that might substantiate in any way the allegations made against trustees as set out in the report. I may say that we do have undoubted co-operation with the authorities of the province of Quebec, as I mentioned some time ago.

Mr. Diefenbaker: Quebec has none from you.

Mr. Cardin: However, I may say categorically in this committee that I did not nor have I yet received one shred of evidence that would substantiate the charges and allegations which have been made against trustees in that report. I have written several letters in that connection. I have also, with the permission of the premier of Quebec, asked to send one of our agents to Quebec in order to be able to get the files so that we might obtain some information on which charges could be laid against trustees to help us in the work we are trying to do. So far I have not had any kind of evidence to substantiate the laying of charges against trustees in the light of the report.

Mr. Nielsen: Can the minister say that evidence does not exist?

Mr. Fulton: Was permission to pick up the files given? Was the permission given that you sought?

Mr. Cardin: Yes. I am sorry if I did not make myself clear. The premier of Quebec did give that permission and the agent was sent to Quebec.

Mr. Nielsen: The minister has given us his personal assurance. Can he say that no such evidence exists in the office of the superintendent of bankruptcy?

Mr. Cardin: Let me finish my speech and the hon. member will understand.

Mr. Diefenbaker: Is it possible?

Mr. Cardin: We have not had a shred of evidence against trustees so far arising out of the Mercier report. As a matter of fact, so far as I know there have not been any prosecutions by the authorities of the province of Quebec in matters arising out of the Mercier report. I will also say this: No one will accuse the Minister of Justice of Quebec of letting the grass grow under his feet. Any disciplinary action that has been taken so far by the federal government has been initiated as a result of the activities undertaken by the superintendent of bankruptcy.

I am not saying that all the trustees are irreproachable. Some of them certainly have been investigated and have been dealt with, as I mentioned earlier. I must say, however, that it is wrong to generalize. It is wrong to lead anybody to believe that all trustees are bad. It is also wrong to make charges that cannot be substantiated or that will not be substantiated no matter who makes these charges, and what authority the person making them may have. If charges are to be made, and I believe that they can and should be made, there are right procedures to be followed. A charge can be laid but substantiation of that charge is equally important. If you make a charge but do not substantiate it, the injustice is done.

I can recall quite well that the right hon. Leader of the Opposition claimed not very long ago that the government had a confidential report.

Mr. Diefenbaker: Yes, the Mercier report. I spoke of the Mercier report.

Mr. Cardin: Wait a minute—

Mr. Diefenbaker: Yes, that is what I spoke of, and the hon. minister twisted it.

Mr. Cardin: The right hon. Leader of the Opposition claimed there was a confidential report dealing with bankruptcy.

Mr. Diefenbaker: That is right.

Mr. Cardin: He claimed that we had hidden it and that it was secret. He claimed if we had made it known we might possibly have avoided the crimes committed in Canada at that time.

Mr. Diefenbaker: That statement is false.

Mr. Cardin: If it is false let me repeat what the hon. member said on October 6, 1965:

> At a press conference, the Progressive Conservative Leader demanded the production of a report on bankruptcies—

Mr. Diefenbaker: That is the Mercier report.

Mr. Cardin: I continue quoting:

> —to find out what has been hidden from parliament.

Mr. Diefenbaker: That is right.

Mr. Cardin: I continue:

> He said if the government had accepted his party's request in the Commons to release a special report on the administration of the Bankruptcy Act, "there would have been less possibility of such horrible crimes being committed."

Does the right hon. gentleman deny that?

Mr. Diefenbaker: The Mercier report.

Mr. Cardin: That is not the Mercier report.

Mr. Diefenbaker: That is the Mercier report.

Mr. Cardin: Then why were you asking for that report in November when the Mercier report had been tabled when the hon. member was in the house?

Mr. Diefenbaker: No, no. That is not what Kierans said.

Mr. Cardin: Mr. Chairman, I deny now that there was a report. I deny that the right hon. gentleman was referring to the Mercier report. The Prime Minister denied that there was such a report. Then, however, our hero jumped into the act. The hon. member for Yukon said, "There is such a report."

Mr. Diefenbaker: The Mercier report.

Mr. Cardin: On October 7 in the Ottawa *Journal* this report appeared:

> Erik Nielsen, Conservative M.P. for the Yukon, jumped into the affair today by insisting that there is a hidden federal report on bankruptcies. Mr. Nielsen who touched off the Dorion inquiry—

And so on, and so on. But he suggests that there was a report. What happened? He went to see the press. He produced a series of documentary files and said, "This is the report that the right hon. Leader of the Opposition was talking about". It was said that if it had been tabled in the house we would have stopped all these murders which have been committed in Quebec.

Well, there were reports. They were the reports from the trustees to the superintendent of bankruptcy in a particular case. They were routine reports. But members of the right hon. gentleman's party would not stop. They kept hammering away at this until finally I said, "All right. If you want to have those files I will allow the right hon. gentleman to see them." I would have allowed any former minister of justice to see them also. Nobody took me up on that offer. It was claimed that that type of strategy in the house is absolutely unacceptable. Later, Mr. Chairman—

Mr. Nielsen: Will the minister permit a question?

Mr. Cardin: Can you wait for a moment? I have spoken for a long time and I am tired.

Mr. Diefenbaker: The minister runs away from questions.

Mr. Cardin: I will answer them later. You have no right to force me to answer.

Mr. Churchill: You might say you are afraid to answer them.

Mr. Diefenbaker: The little Caesar will not answer.

Mr. Cardin: Let us go on. I continue quoting from the *Globe and Mail* of October 12:

> Mr. Diefenbaker made the Quebec bankruptcy frauds an election issue last week by suggesting that the government had a hidden report on which it had failed to act.

Mr. Diefenbaker: That is right.

Mr. Cardin: I continue:

> When Justice Minister Lucien Cardin offered to let him inspect the documents in the Sefkind case—the only specific case he had mentioned—Mr. Diefenbaker said it was an attempt to seal his lips because his Privy Council oath would prevent him from disclosing what he found out.
>
> He demanded also production of what he described as a report from the Quebec government to Ottawa on the bankruptcy frauds.

Mr. Chairman, there was a complete denial on October 13 by Mr. Lesage himself that there was such a report. I continue quoting:

Mr. Cardin replied that Mr. Diefenbaker would not be bound by his oath if he wanted to see the Sefkind file; he would be able to use his discretion and make public any information he found about persons in public or political life.

● (1:40 p.m.)

Asked about this aboard his campaign train yesterday, Mr. Diefenbaker broadened the issue by saying he also wanted to see the file of correspondence between the Justice Department and Judge Bruce J. S. Macdonald when he was chairman of the Ontario Police Commission.

He said: "Mr. Cardin does not make it clear that all the files are going to be made available to me. I doubt if he can give me that right, as most of the files would be marked secret and as a Privy Councillor I could not reveal them. I don't want selective files. I want all the files on this subject—

I want this, I want that. How far has the right hon. gentleman strayed from the original so-called secret file which was so important at that time? It seems to me the only file we had was the Mercier file which was in the right hon. gentleman's possession at the time the house was sitting. Members opposite have been going around the country pretending there was this other file. They object when I say they are toying with the truth. The reason I use that expression is that if I were to really say what I think it would not be parliamentary. I agree there have to be political differences but there must be a limit somewhere.

Mr. Diefenbaker: Would the minister say when the Mercier report was tabled? He has been talking about it.

Mr. Cardin: On August 19, 1965.

Mr. Bell (Carleton): The house was not sitting then.

Mr. Diefenbaker: We were not sitting.

Mr. Cardin: It was tabled on August 19 in the Quebec house and it was a public document.

Mr. Pickersgill: It was a public document.

Mr. Cardin: The right hon. gentleman thinks he has a great point. I apologize for having made a mistake. The fact is that it was tabled in the Quebec house on August 19 and it is a public document, so it could not have been a secret report.

Mr. Diefenbaker: The hon. gentleman said it was tabled in the House of Commons.

An hon. Member: They are making an awful mess of it.

[Mr. Cardin.]

Mr. Cardin: Well, perhaps.

Mr. Pickersgill: Certainly of the Leader of the Opposition.

Mr. Cardin: All members of the house have a responsibility when it comes to combating crime and the terrible things which have happened in connection with bankruptcy. People with the prestige of the Leader of the Opposition have a tremendous responsibility. We all have a responsibility to try to assure the Canadian public that we have this problem under control or, if not, that we are doing our best to deal with it. But it is altogether wrong that any responsible member should let it be said that the government is abrogating its responsibilities when the facts are to the contrary.

Mr. Diefenbaker: That is what Mr. Kierans said.

Mr. Cardin: I have given an example of what happened in the case of the Mercier report—the accusations that the government had been lax, almost criminal, in its activities. These are serious charges. Are we now faced again with new tactics that I see arising among the Conservatives—striking hard, preferably below the belt, and then running away?

Mr. Churchill: What did you do in February, 1962?

Mr. Cardin: Only a short while ago the hon. member for Yukon stated in a press conference that he had important information on fraudulent bankruptcies. This is what appeared in the *Globe and Mail* on February 9:

Erik Nielsen, the man who sparked the Dorion inquiry said Monday he has enough information on fraudulent bankruptcies to justify another inquiry of equal proportions. The Progressive Conservative M.P. for the Yukon told a press conference that there is a definite connection between the frauds and political campaign funds. He said he will present his evidence to the House of Commons when he returns to Ottawa later this week.

Asked if he would include names with his evidence, he replied: "Yes, I have a list of both companies and individuals involved."

He said he has information on fradulent bankruptcies in British Columbia and Alberta but will concentrate his attack on operations in eastern Canada. Under the Bankruptcies Act the frauds could be investigated by the R.C.M.P., he said, but in the past the force has been prevented by the government from carrying out some investigations.

I submit that these are extremely important charges. Here is a categorical statement by the hon. member for Yukon that he has definite knowledge that the government has prevented the R.C.M.P. from acting in cases

where the federal jurisdiction is concerned. He says he knows this. I demand that he make these charges public. He has no right not to do so.

Mr. Nielsen: I do not have to make them public, Mr. Chairman. Mr. Justice Dorion has.

Some hon. Members: Oh.

Mr. Favreau: After your lying under oath.

Mr. Nielsen: Mr. Chairman, I rise on a question of personal privilege because I fear that something has gotten on the record of *Hansard* which I do not think the President of the Privy Council would want to keep there. I heard him quite plainly shout across the aisle: "You lied under oath there". That is the statement which he should withdraw if it appears on the *Hansard* record. In fact, I have put it on the record now so he must withdraw it.

[*Translation*]

Mr. Favreau: Mr. Chairman, if the expression "to lie" is unparliamentary, I must withdraw it, but I wish to add that twice, under oath before the Dorion commission he did not tell the truth.

[*English*]

Mr. Nielsen: Regardless of what the opinions of any of us may be, having read carefully the evidence contained in the proceedings before Mr. Justice Dorion—I have my own views as to the minister's evidence—a statement such as the one the minister has made in the house demands immediate withdrawal unless the hon. gentleman is prepared to make a charge and, as the rules require, stake his seat on the outcome.

[*Translation*]

Mr. Favreau: Mr. Chairman, I have here the transcript of the March 23 and 24, 1965, sittings of the Dorion commission. I will do what he never had the courage to do when asked to do it. I will state, evidence in hand, that under oath and twice before the Dorion commission, the hon. member for Yukon said in his testimony things that were not in accordance with the truth and if he wants to refer the matter to the committee on privileges and elections, I am willing to maintain the charge.

[*English*]

Mr. Nielsen: Sir, the minister has dug himself in quite deeply here. He has made a personal charge of perjury against a sitting member of this house. I am going to give him one final opportunity to withdraw the charge he has made. If he is not prepared to do so, some procedure must be taken to ensure either a withdrawal or the loss of his seat.

An hon. Member: Maybe yours.

• (1:50 p.m.)

Mr. Nielsen: I give him this one final opportunity to make that withdrawal.

Mr. Churchill: Withdraw.

[*Translation*]

Mr. Favreau: Mr. Chairman, the only procedure is for the hon. member for Yukon to ask that the matter be referred to the committee on privileges and elections.

I said that: "Twice, under oath, he did not tell the truth, before the Dorion commission".

[*English*]

Mr. Nielsen: No. I am afraid, Mr. Chairman, that is not our procedure. When a sitting member makes a charge against another he is required to substantiate that charge. The responsibility lies on the minister, not upon me. Either he withdraws or he takes—

Some hon. Members: No.

Mr. Nielsen: Well, hon. members do not appreciate the rules. Either the minister withdraws or he must take procedures to substantiate the charges he makes or resign his seat.

Mr. Diefenbaker: Mr. Chairman, regardless of any other circumstance there must be an unequivocal withdrawal. That type of thing is not permissible. There have been several times lately when the President of the Privy Council has used the word "lie" in this house. I am not going to recapitulate—

Mr. Favreau: I withdrew the word "lie".

Mr. Diefenbaker: The other day the minister said that and was not called to order. That statement must be withdrawn unequivocally, Mr. Chairman, and no nonsense about it.

The Deputy Chairman: Does the President of the Privy Council wish to make an observation?

Mr. Nielsen: No, no, Mr. Chairman. This cannot be allowed to proceed. This is a question of privilege. The hon. member tried to split a hair by saying he withdrew the word "lie". That is so. The minister did say he withdrew the word "lie" but he replaced it with a charge that I did not tell the truth under oath on two occasions.

Mr. Bigg: That is what he said.

Mr. Pickersgill: Mr. Chairman—

Mr. Nielsen: Is the Minister of Transport making the same charge?

Mr. Pickersgill: No, no; not at all.

Mr. Bigg: No, you don't want to risk your seat.

Mr. Nielsen: The President of the Privy Council replaced the qualified withdrawal of the word "lie" with the statement that on two occasions I did not tell the truth under oath before the Dorion inquiry. Under our rules that charge, must be unequivocally, completely, absolutely withdrawn.

The Deputy Chairman: Order.

Mr. Bell (Carleton): The rules are clear.

The Deputy Chairman: Order. The Chair has certain difficulties just now in rendering a decision. If hon. members with their experience of procedure would enlighten the Chair in a more elaborate and thorough manner, then the Chair with the enlightenment of the house from all sides will be able to render a decision.

Mr. Churchill: Mr. Chairman, I will endeavour to help you if I can. We have had many instances in the house where people have accused members of being untruthful. Sometimes they have used the word "lie". Sometimes they have said, "He did not tell the truth". It is the same expression. On each occasion in all the sessions I have been in this chamber the Chairman, or the Speaker, insisted that the member who made the statement accusing another hon. member of not telling the truth or of lying, should withdraw it immediately.

That has been the practice of the house. The rules substantiate it and everyone here, unless he is a new member, is aware that this is the situation. There is no lengthy argument required. The statement of the President of the Privy Council happens to be the worst I have heard during the 15 years I have been here.

Mr. Pickersgill: Mr. Chairman—

Mr. Nielsen: Mr. Chairman, since this is my question of privilege—

The Deputy Chairman: Order. The Minister of Transport.

Mr. Pickersgill: Mr. Chairman, I have had a certain amount of experience in the house, as has the hon. member for Winnipeg South Centre, and I do think it is quite correct, as he has said, that anyone who is accused—

Mr. Bigg: Of perjury.

Mr. Pickersgill: In the first place the word "lie" is unparliamentary.

Mr. Favreau: I never said "perjury".

Mr. Bigg: I did.

Mr. Pickersgill: The statement that someone deliberately did not tell the truth has also been ruled unparliamentary, but I listened very carefully to what the President of the Privy Council said. I do not use one of these machines. I am relying on what knowledge I have of the other official language when I translate into English what I understood him to say. I understood him to say that on two occasions the hon. member for Yukon, when he was under oath before the Dorion commission, had made statements which were not true. I do not think, sir, there is any necessary implication in that statement if I have translated it correctly. There is no implication that the hon. member knew his statements were untrue.

Mr. Diefenbaker: Perjury requires knowledge.

Mr. Pickersgill: I submit, sir, there have been many occasions in the house where an hon. member, including the right hon. gentleman opposite, has said that something that someone else has said was not true—

Mr. Diefenbaker: Was false.

Mr. Pickersgill: —and that was not unparliamentary at all, unless there is some suggestion that there was deliberate knowledge when the statement was made that it was untrue.

Mr. Nielsen: Mr. Chairman, before other hon. members deal with the rules may I for one moment lay before the Chair and the members of the committee the precise question at issue here. The minister had before him, as he said, the transcript of what the translator referred to as the proceedings before Mr. Justice Dorion. He went on to say that that transcript indicated I had made statements under oath on two occasions which were not the truth. As I understand the law, sir, that is a direct charge of perjury.

Mr. Diefenbaker: Absolutely.

Mr. Nielsen: That is what must be withdrawn, the whole of the minister's statement, because inherent in it is a charge of perjury and it cannot be accepted as a parliamentary statement by any member of the house, let alone a responsible minister of the Crown

who, because of his disappointment over the results of that commission, makes such emotional statements.

Mr. Brewin: Mr.Chairman, I do not profess to be an expert on the rules and I certainly do not want to get involved in a dispute of this nature between members of the committee. But I have a great deal of sympathy with you, Mr. Chairman, when you ask for advice in respect to this matter. I am wondering whether it would be acceptable to the committee that we should take this matter under advisement?

Mr. Nielsen: No.

Mr. Brewin: May I suggest that if some opportunity for thinking about this matter were given the President of the Privy Council might well review what he has said, because it seems to me his words did convey a very grave implication against the hon. member for Yukon.

If he did not intend to convey the imputation which I thought he made, then I think it would be a very useful thing if he were given a little time to ponder the matter and perhaps he would then withdraw the imputation that the hon. member for Yukon has seen in these words. I do not believe it advances the dignity and welfare of the house when accusations of that sort are bandied backward and forward and the matter is made into a great personal issue. I think we can conduct the affairs of the house without that and I am wondering, because of the difficulties of the procedural points involved, whether it would not be proper for you, Mr. Chairman, to ask that the matter be reserved while you look into it.

Mr. Nielsen: No. That is completely unacceptable, Mr. Chairman.

• (2:00 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Chairman, referring to Beauchesne's Parliamentary Rules and Forms, I find that the house is now in a rather difficult and complicated situation, which may have serious implications and consequences and which requires much thought.

Now, I think it would be most useful, for the guidance of hon. members, to read the first paragraph of citation 128 of Beauchesne which reads as follows:

> A personal attack, by one member upon another, is an offence against the house, in the person of one of its members, which, on account of the respect due from every member to the character and dignity of the house, as well as the importance of preserving regularity in the debates, calls for the prompt interference of the Speaker—

To make my first point, I should like to call attention on this:

> —the prompt interference of the Speaker—

And not the chairman of committees.

I wonder if, rising above the question itself, one would not help the house by pointing out that this citation provides that the Speaker must interfere; consequently, the chairman should report progress, so that the Speaker could take the chair and that the discussion could continue.

This way, a solution could be arrived at; the Speaker could resume the chair, in accordance with citation 128 of Beauchesne.

[*English*]

Mr. Fulton: Mr. Chairman, I should like to refer Your Honour by way of assistance to several citations to be found in Beauchesne's fourth edition as to how this matter must be handled. First of all, it is surely clear that what has transpired is that the President of the Privy Council has made a personal attack upon the hon. member for Yukon. I think that cannot be disputed. I direct your attention to citation 128(1) to be found at page 115 of Beauchesne's fourth edition which reads:

> A personal attack, by one member upon another, is an offence against the House, in the person of one of its members—

The following words of the citation are not relevant, I do not believe, but they indicate that the procedure to be followed, as I appreciate it, is for the member attacked to ask for a withdrawal. This has been done but the President of the Privy Council has declined to withdraw. On the contrary, he has repeated the ill-founded charge which constituted the personal attack.

Mr. Nielsen: I did not ask for an apology; I asked him to withdraw.

Mr. Fulton: If he refuses to withdraw he should be named. But I submit to you, sir, that this is not a matter that can be dealt with in the committee; it is one which requires to be reported immediately to the house. In that regard I refer you to citation 138(1) to be found at page 120 of the same edition which states:

> The House of Commons will insist upon all offensive words being withdrawn, and upon an ample apology being made which shall satisfy both the House and the member to whom offence has been given. If the apology be refused, or if the offended member declines to express his satisfaction, the House takes immediate measures for preventing the quarrel from being pursued further—

I do not think the remaining part of that paragraph is relevant but the next paragraph states:

> If offensive words are spoken in Committee, which are taken down, the House only, and not the Committee, can take notice of them. The Committee therefore reports progress and asks leave to sit again; the Chairman reports the words used to the Speaker who says: 'It has been reported to the House that the hon. member for . . . has used the following words: . . . Has the honourable member anything to say in explanation or retraction of these words?'

I submit to you, therefore, that if the President of the Privy Council persists in his refusal to withdraw the offensive words then you have no option but to report the words to Mr. Speaker and the house shall then determine what action shall be taken to deal with the refusal to withdraw the charge made by the President of the Privy Council. If on the other hand he withdraws them here this matter is disposed of and there will be nothing to report to the house.

I trust that the President of the Privy Council will recognize that he is in serious breach of the rules, that he has made a personal attack on another member, and that in the interests of continuing the dignity and functions of this house he will withdraw.

Mr. Churchill: If he does not withdraw he should be named.

[*Translation*]

Mr. Trudeau: Mr. Chairman, far be it from me to take it upon myself to give you advice with regard to the application of the rules, but the facts may bear clarification.

There may be a slight translation problem here. The words "liar" and "perjury" were not spoken by the hon. minister. He did say that if the word "liar" was unparliamentary, he would withdraw it. He stated very clearly that the hon. member for Yukon (Mr. Nielsen) had twice said something which was not true.

An hon. Member: Under oath.

[*English*]

Some hon. Members: Oh, oh.

Mr. Trudeau: I am just trying to get the facts straight.

An hon. Member: What a silly man. Go back to the stables.

Mr. Trudeau: The minister may well say that it is snowing outside but I would not call him a liar if I went out and saw it was not snowing. I would say that he was stating something that did not conform with the truth. That does not means he is telling a lie. The word "perjury" was heard from the other side of the house, not from this side. I am not debating this point of order; I am just stating a fact.

Mr. Lewis: Mr. Chairman, I want to say something on this point which goes in my respectful submission a little beyond the mere point of order, important as it is. Last night we heard the house leader appeal to members of the committee because he had to get the estimates through in order to pay the salaries of the employees of the government. In my respectful submission I submit to the President of the Privy Council that it is a provocation to this committee to do as he has done. His behaviour is entirely improper for a minister of the Crown and it is contrary to the express demands of the house leader to make an interjection while another member is speaking which constitutes an attack on a member of this house that is bound to delay the passage of these estimates indefinitely.

Some hon. Members: Hear, hear.

Mr. Lewis: I therefore, if you will allow me to complete one sentence, appeal to the President of the Privy Council to do the right thing by the government, by the employees of the government and by this committee and withdraw his remarks.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Chairman, on the point of order, I call on the President of the Privy Council to withdraw his words. This house cannot operate if any member is allowed to use language that can only imply the commission of a criminal offence. His statement must be unequivocally withdrawn. If it is not, I ask you to report progress and we will then ask the Speaker to take the proper course, namely, to name the hon. gentleman.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Favreau: Mr. Chairman, I think it is unfair, not only for myself, but also for the hon. member for Yukon, to impute to me words that I have not said.

As the hon. member for Mount Royal (Mr. Trudeau) said a moment ago, it is on the other side of the house that certain words were said.

I am imputed words which would imply that the member for Yukon deliberately intended not to speak the truth when he testified.

I never said that the member for Yukon committed perjury.

[*English*]

Mr. Diefenbaker: That is what you said: Something false under oath.

Mr. Favreau: That is what you said I said.

[*Translation*]

The hon. member for Yukon had just made an interjection which was not at all pertinent to the debate. He stated that everything said could be found in the Dorion report, thus prompting me to object, because I, among others, had read the transcript of the evidence.

I believe I am entitled, with regard to his allegation, to tell him that, on two occasions, he said things that were not the exact truth.

Mr. Vincent: Under oath.

Mr. Favreau: Under oath and otherwise.

Mr. Vincent: No, no.

Mr. Favreau: What constitutes perjury is the intention to mislead.

• (2:10 p.m.)

[*English*]

Mr. Diefenbaker: You can't get away with that. You might as well withdraw.

An hon. Member: You are getting in deeper.

Mr. Churchill: Withdraw or sit down.

[*Translation*]

Mr. Favreau: Mr. Chairman, I regret that that interruption should delay the discussion. It is most important and urgent in the public interest—which goes considerably beyond the personal interest of the hon. member for Yukon or mine—that the estimates be voted by the house.

In the circumstances, I clearly state that I never had the intention of implying that the hon. member for the Yukon had perjured himself and consequently I do not believe the words I may have uttered could be construed as harmful to his reputation or otherwise.

I think a solution might be that if I stated things that were not according to the facts, every one agree to refer the question to the committee on privileges and elections where it could be dealt with.

[*English*]

Mr. Churchill: Mr. Chairman, I move that the committee rise.

Some hon. Members: Oh, oh.

The Deputy Chairman: Order.

Mr. Churchill: It is a motion, Mr. Chairman. I move that the committee rise.

The Deputy Chairman: Order.

Mr. McIlraith: The Chairman is on his feet.

The Deputy Chairman: Order. The Chair has been enlightened by the observations of members of the committee. It is difficult in these situations to render a decision, but if we consult the authorities on this topic and recall certain decisions that have been rendered in similar circumstances it is definitely mentioned that the word "lie" is unparliamentary. To ease the situation may I ask the hon. President of the Privy Council if he would consider withdrawing the word "lie" which is unparliamentary?

Mr. Favreau: Mr. Chairman, before this ruling was rendered I did withdraw the word "lie" as unparliamentary, and I must make it quite clear that to the extent that any of the words I may have used might be interpreted as meaning that the member for Yukon deliberately tried to deceive the court, I withdraw them.

Mr. Churchill: I move that the committee rise, Mr. Chairman. You must surely accept my motion.

Mr. Nielsen: Perhaps I might make one last appeal to the minister and give him one last opportunity.

Mr. Muir (Cape Breton North and Victoria): He isn't worth it.

Mr. Nielsen: The issue is this. The minister used these words, that the member for Yukon, myself, had on two occasions before Mr. Justice Dorion—

An hon. Member: Under oath.

Mr. Nielsen: —under oath, not told the truth. Therein lie the offensive words. All the minister has to do—I am not asking him for an apology even though the rules say I am entitled to one—is simply to withdraw those offensive words.

Mr. Churchill: He is apparently not going to withdraw them, Mr. Chairman. My motion is before you. Will you not accept my motion?

Mr. Winkler: Let us have the motion.

The Deputy Chairman: I did not hear what the hon. member for Winnipeg South Centre said to the Chair.

Mr. Churchill: Mr. Chairman, I move, and if it requires a seconder, seconded by the hon. member for Queens, that the committee rise.

An hon. Member: But it was not seconded before.

The Deputy Chairman: Will the hon. member make a formal motion so that the Chair may put the motion before the committee?

[*Translation*]

Mr. Caouette: Mr. Chairman, having listened to speakers from both sides of the house and especially to those who are now dealing with a statement made by the President of the Privy Council, I think that the latter has made the situation quite clear. He said that he would withdraw all the offensive words he used or any of his remarks that could be harmful to the reputation of the hon. member for Yukon. Does the member for Yukon want the minister to lick his feet? The minister is willing—he said so himself—to withdraw the words which might be offensive to the hon. member. Why, then, introduce a motion and delay the business of the house?

Mr. Grégoire: Mr. Chairman, I would have something to add in this connection—

The Deputy Chairman: Order.

[*English*]

Mr. Knowles: Mr. Chairman—

The Deputy Chairman: Order. The hon. member for Winnipeg North Centre.

Mr. Knowles: Mr. Chairman, I wonder whether I might make a direct, personal appeal to the President of the Privy Council with respect to this matter.

Mr. Churchill: What about my motion? I rise on a point of order, Mr. Chairman. There is a motion in front of you. It should be acted upon.

Mr. Knowles: I suggest—

Mr. McIlraith: Mr. Chairman, on the point of order raised by the hon. member for Winnipeg South Centre—

Mr. Muir (Lisgar): You have not been recognized yet.

Mr. McIlraith: Yes, but I heard the hon. member speak and I am sure the motion he put is not in the form he intended in order to accomplish the purpose that I think he has in mind. I wonder whether the hon. member would look at the wording of his motion. I am sure he intended that there should be leave for the committee to sit again. If he will look at the words of the motion again he will agree with me. The motion does not say that the committee shall have leave to sit again.

Mr. Knowles: Mr. Chairman, while the hon. member for Winnipeg South Centre is thinking about that may I have the indulgence of the house to direct a personal appeal to the President of the Privy Council. I ask him, as one who has not got into this debate at all and as one who has not tried to quote the rules at him, to appreciate the fact that he may have made a mistake—

Mr. Churchill: May have? He did make a mistake.

Mr. Knowles: —a mistake which will do damage to today's session of parliament and may do continuing damage. I ask him also to realize that if he will withdraw the words unequivocally he will have the respect of all members of this house, and I ask him to do so.

Some hon. Members: Hear, hear.

Mr. Favreau: Mr. Chairman, I said a few minutes ago that the public interest was more important than the interest and pride of individuals. I withdraw unequivocally.

The Deputy Chairman: Will the hon. member for Winnipeg South Centre withdraw his motion?

Mr. Churchill: Do I understand that the President of the Privy Council is withdrawing unequivocally every charge that he made?

Mr. Pickersgill: That is what he did.

Mr. Churchill: He did not add those extra words. What is he withdrawing? That is what I want to know.

Some hon. Members: Sit down.

Mr. Churchill: I am not going to be shouted down by anybody. When he said he was going to withdraw unequivocally, what has he withdrawn? He withdrew the word "lie". Has he withdrawn the other accusation? That is what I want to know.

The Deputy Chairman: The committee and the Chair heard very distinctly the President of the Privy Council say he withdrew his remarks.

Mr. Knowles: Unequivocally.

The Deputy Chairman: Yes, unequivocally.

Mr. Nielsen: May I say, Mr. Chairman, that I accept the minister's withdrawal and also

the apology which under the rules I am entitled to but which the minister did not make.

Mr. Churchill: I withdraw my motion, Mr. Chairman.

• (2:20 p.m.)

Mr. Lewis: Mr. Chairman, I want to get back to the case of Victor Spencer. I want to say in beginning my remarks which will not be very long, after what has occurred in the past half hour, that during the first part of the speech by the Minister of Justice he castigated the right hon. Leader of the Opposition. He asked with a great deal of feeling—and I must say I had some considerable sympathy for his words—whether the right hon. gentleman's performance would add to the prestige and dignity of parliament. Then the Minister of Justice himself, I suggest, proceeded to give the kind of performance which added to the indignity about which he complained.

I say, Mr. Chairman, as a relatively new member of the house, because I have not been here the years the right hon. gentleman has nor the years the Minister of Justice has, that as I hear these exchanges across the floor of this house that have nothing to do with public policy, nothing to do with the issues before the house, nothing to do with the plight of the poor fellow like Spencer, but result from purely personal vindictiveness or political vindictiveness, I feel, as I said on another occasion, sad for my country. I appeal to the minister to throw away from his mind this obstinacy which has got hold of him in connection with the case of Victor Spencer, this spirit of inflexibility which he has shown today and on other occasions, this determination to be proven right no matter what, and deal with the matter coldly, logically, intelligently and with some heart.

I suggest to you, Mr. Chairman, that we would not be in the spot in which we are now over this issue of Victor Spencer if it were not for the obstinacy which has been shown. I reject the suggestion, because I have no evidence of it and I do not like to make accusations without evidence, that the government is trying to hide anything. I do not know. I am not suggesting there has been any deception because I do not know. I do know, having read the record and having listened to the discussion on these estimates, that there is truth in the assertion that government spokesmen have not been forthright and frank with this committee. They may not have intended to mislead anybody. However, it is perfectly true that every day we learn something new. It was the duty of the minister to lay the entire case before this house, all the correspondence he had ever exchanged and that the Privy Council had with the lawyer for Mr. Spencer, and every other fact that was relevant to a complete understanding of the issue before the committee. He failed to do that. The minister failed to do it because of the words he used today. He said, "No one will convince me I am wrong when I think I am right".

I ask the hon. gentleman in all good humour, who ever thinks he is wrong? Certainly he does not nor the Prime Minister nor the President of the Privy Council nor do I nor anyone else. The only time we ever admit we are wrong is if we have the goodness, the richness of mind, to open our mind to a particular situation, listen to the requests and measure their reasonableness instead of saying, "No one is going to convince me I am wrong". This is what has been at fault here.

One of the points the minister mentioned in his defence, which is of extreme importance in my view, was that, he said, we have done in the Spencer case what has been done many times before. I hope I am paraphrasing him correctly. The only difference in this case, he says, is that the identity of the man is known. It is this statement, which the minister has made on several occasions, which makes my colleagues and me determined to appeal to him to change his view. The fact that he has followed what has been done before does not make the case for him any stronger. It makes it weaker. It means, if I take him literally, that other employees of the government, this government and perhaps preceding governments, have been thrown out of their jobs without a chance to be heard. It means that on other occasions governments of this country have applied section 50 of the Civil Service Act against a number of civil servants without their right to be heard.

It is that which makes this situation even more important. It does not defend the minister's action; it condemns it all the more. I thought from the start that what we were faced with here was the matter of a basic principle and it did not matter whether Mr. Spencer was interested in it or not interested in it. The basic principle is very simple if we would only get rid of these attempts at making personal attacks, personal innuendos, and look at it objectively. There is this simple

difference between the minister and ourselves. He says, and I am sure he says it sincerely, that section 50 of the Civil Service Act gives the Governor in Council the right to dismiss an employee without that employee having any right of appeal. There is another section of the act which affords him another kind of procedure. He says: We found that this man in our view was doing things which were improper, which were contrary to the security of Canada. Therefore we used this section which is there, dismissed him from employment, and that is that. This is his view. He says, I have applied the law.

We on this side of the house say to him: Whatever may be the merits or demerits of section 50 of the Civil Service Act—I think it is a pernicious section—he has it within his hand, the Prime Minister and his colleagues have it within their hands, to lessen the perniciousness of section 50 and give this man an opportunity to present his case in camera to an independent tribunal. The security of Canada would not be affected at all. Everything he said would remain private. The minister says, I will not do this.

Because the hon. member for Mount Royal insisted that he wanted to know what Mr. Spencer thought and I believe the Minister of Citizenship and Immigration said the man had not filed a grievance, interjections which with great respect to them I think were entirely irrelevant to the issue in this case, I telephoned a solicitor in Vancouver on Wednesday, Mr. John Laxton. He is a well known younger solicitor of undisputable integrity. I asked him whether he would at my request get in touch with the Royal Canadian Mounted Police in order to meet with Mr. Spencer and discuss this matter with him.

I then telephoned the Minister of Justice and after some time he was good enough to call me back. He not only was good enough to listen to my request for his assistance but good enough also to make available the assistance of Commissioner Kelly of the Royal Canadian Mounted Police to discuss how this could be done. As a result Mr. Spencer was in the office of John Laxton, the solicitor in Vancouver, at nine o'clock Vancouver time yesterday morning. I received a telephone call from Mr. Laxton at about twelve thirty or one o'clock our time in which he informed me of the conversation he had had with Spencer. He dictated to my secretary a telegram that Mr. Spencer and he had drawn up in case the telegram itself did not reach me in time because I expected the justice estimates were going to be considered first thing yesterday afternoon.

• (2:30 p.m.)

At two thirty in the afternoon I received the telegram, Mr. Chairman. I appeal to the minister and to the Prime Minister to listen to the words of this telegram today in the light of what we have asked him to do. I mentioned the fact that I had telephoned Mr. Laxton and he read this telegram to me over the telephone in order to make sure I had talked to Laxton and could give the committee this assurance. I have the telegram which reads as follows:

> I have had a long interview with Victor Spencer with the approval of his solicitor Harry Rankin. Spencer wants an inquiry of his case, either a judicial inquiry or by parliamentary committee because he does not feel he has been fairly dealt with. His complaint is with the nature of his dismissal and the unfair deprivation of benefits associated with his job such as pension and insurance benefits. He has no complaint—

I interject to say that Mr. Laxton emphasized to me that Mr. Spencer insisted on this kind of remark going into the telegram.

> —with the treatment he has received from the R.C.M.P. but on the contrary feels they have been most considerate with him. Mr. Harry Rankin has also authorized the sending of this telegram.

The names under the body of the telegram are "John N. Laxton" and "Victor Spencer".

I do not withdraw from the position I have always taken, and which I take now on principle, that it does not matter whether Mr. Spencer wants an inquiry or does not. It is our duty as a parliament to give him that inquiry. It is the duty of the employer to give him a chance to express his views about his case.

If there is any doubt whatever in the minds of hon. members about Mr. Spencer's own feelings, I have obtained evidence which seems to me absolutely incontrovertible as to what he feels about the situation. I ask the minister to note that it may be of some consolation to him that the wire does not say that Mr. Spencer objects to his dismissal. It is significant that it says:

> His complaint is with the nature of his dismissal and the unfair deprivation of benefits associated with his job, such as pension and insurance benefits.

It is certainly possible for a commissioner of inquiry to consider in camera the treatment of this man in respect of his insurance, pension and other benefits without affecting the security of Canada. It is certainly possible to give this man justice without affecting the

security of Canada, particularly in an inquiry held in camera.

I spoke to Mr. Rankin on the telephone. This is not a court of law so that no one can stop me giving hearsay evidence, which we do all the time. Briefly this is the kind of story I received.

I deliberately did not deal with Mr. Rankin only because I have never met him before. I had heard his name. I determined I would speak with someone whose integrity I can personally vouch for and who would have this conversation with Mr. Spencer to ascertain Mr. Spencer's feelings. I do not know the other chap. I do not suggest anything about his integrity; I just do not know him.

Mr. Rankin tells me that Mr. Spencer has informed him of the sort of thing he told the police. I pause to ask the minister and the right hon. gentleman, can they stop Mr. Spencer telling Mr. Rankin what he did? They cannot. Can they stop Mr. Spencer telling a neighbour what he said? Not unless his doing so is a violation of the law. I am deliberately going to be as unprovocative as I can.

I suggest to the minister that he is inconsistent. It is surely much more harmful to provoke Mr. Spencer and to give him the opportunity to complain to all and sundry in Vancouver, with the undoubted likelihood of its being spread, as rumours spread, like wildfire. It is much more dangerous to the security of Canada to permit that sort of situation than to say to Mr. Spencer: "For the sake of everybody, keep quiet and come down to Ottawa to Mr. Justice so and so. Come with your lawyer and tell your story and see if you can persuade him that we were wrong." I suggest this is much safer as well as more just for the country, the government and the minister.

Mr. Trudeau: Would the hon. member permit a question? Would the commissioner or single person who would judge Mr. Spencer's case have, in the view of the hon. member, authority also to condemn him to some prison or to purge him if he was found guilty?

Mr. Lewis: I do not have that in mind. I have in mind some very simple terms of reference, though I am not drafting them now. The government would tell the justice that they want him to inquire into the dismissal of Spencer and the attendant consequences of that dismissal and to inform the government, and through the government parliament, whether in his opinion the decision of the government was in accordance with the facts and is supported by the facts, both as to the dismissal and as to the consequences which the government visited upon Mr. Spencer.

I am not saying that the judge thus appointed would be any wiser than the police or the Minister of Justice. What I am saying is that whereas the Prime Minister and the Minister of Justice are part of the management team for whom Mr. Spencer worked and are the employers who dismissed an employee, the judge who would be appointed, or judges—there could be more than one—would be disinterested. The entire life and function of a judge has been the weighing and relating of facts. He would therefore give an opinion which (a) would more likely be objective and fair, not because anyone is being deliberately unfair, and (b), of much greater importance, would be accepted by members on this side of the house and by the people of Canada as being that of a disinterested person, and without there being any suspicion such as is inevitable when the interested party is the only one who has made the decision and has investigated the facts.

In other words, there are two matters. First of all, there is the greater likelihood of justice being done. Second, there is the greater likelihood of justice appearing to be done. Both those things are important to our system.

Mr. Trudeau: Would the hon. member permit another question? I am trying to understand what kind of board this would be. Obviously it would be a board which would not be presiding according to due process. There would be no cross-examination of witnesses, no jury and no real trial. I am wondering what authority this judge would have. Suppose he found that the government had acted rightly. Obviously he would have nothing to do but to confirm the government in its view. But take the opposite hypothesis. Suppose he found the government was wrong. Would he have permission to reinstate Mr. Spencer or would Spencer have to ask for a civil trial?

Mr. Lewis: Of course not. I do not quite understand the hon. gentleman's question. I have known him for many years and I have always had great regard for his intelligence. It seems to me his very great intelligence ought to serve to tell him that any number of royal commissions have been appointed, whether it be the Dorion commission or any

other commission, to deal with various matters.

What we ask the inquiry to do is to give us the opinion of its commissioner or commissioners and if, when the opinion is tabled, it agrees with the opinion of the government then the government can say they have been proven right by the board. If the opinion is contrary to that of the government, then the government has the responsibility of doing what it likes. If it refuses to reinstate Spencer despite such a finding, then we and the country would know. But I do not think that would happen.

I have greater faith in the members of the government who are in the same party as the hon. member for Mount Royal than he has himself. Perhaps he knows better. However, if an independent commissioner investigated this matter and found the government wrong either in dismissing the man or depriving him of his insurance or pension, then I have faith that the government would set things right and that it would not be necessary for the commissioner to make any decision or order in that regard.

• (2:40 p.m.)

Mr. Rankin tells me that Mr. Spencer is exceedingly concerned about his position. The other day I gave Mr. Spencer's age to the house. The right hon. Leader of the Opposition perhaps did not hear me. I understand I was right in the information I have received. He is 57 to 58 years of age; he is very ill. I am not trying to do any tear jerking, but surely these things are relevant to the consideration of a sentence when a person is found guilty. He is very ill, as has been said. He had a lung removed because of lung cancer of which he is not yet cured. As a very ill person he may be, as I understand, very disturbed in other ways. All these things, it seems to me, make it absolutely necessary that there be no suspicion that he has been denied any of his rights as a citizen of Canada, and particularly as an employee of this government, to which he is entitled.

An hon. Member: Has he a family?

Mr. Lewis: I really cannot say. From the beginning I determined not to direct questions about him personally. I said to myself, "you are not going to be addressing a jury. You are going to be addressing a group of pretty cold and objective members of parliament. You had better not try any of this tear jerking". And I left personal questions alone.

[Mr. Lewis.]

I was very interested in the reply of the Prime Minister this morning about the answer with respect to the letter from Mr. Rankin addressed, as I understand to Mr. Milligan, an assistant secretary of the Privy Council, in which Mr. Rankin asked what the definition of misconduct was. Mr. Rankin had been informed in a letter from Mr. Milligan, so he tells me, that Mr. Spencer had been dismissed for misconduct. Mr. Rankin wrote and asked, "What do you mean by misconduct in this case"? I understand he has been told that he cannot be given an answer now. He has to find it somewhere else.

The importance of that letter, as I see it, were I to have received it from the lawyer of a person who had been dismissed, would be such that I would know perfectly well from it that the person dismissed was not satisfied. I say to the members of this house, whether members of the Liberal party or members not in the government, that if they try to suggest to the house that Mr. Spencer was satisfied they have failed to understand the obvious import of the letters addressed to Mr. Milligan. If they do understand that, then they have done something which should not have been done. It is perfectly clear from the correspondence, as Mr. Rankin also told me over the telephone, that he was conveying to the government the dissatisfaction of Mr. Spencer over his removal from his job.

I ask the minister and the Prime Minister: In heaven's name what wrong would there be in saying to the country, this case has raised a great deal of interest, as it obviously has, this case requires another look, as it obviously does; we are not going to shut the door on all this, we will appoint a commissioner to make an inquiry?

My attention was drawn a little while ago to the issue of the Winnipeg *Free Press* for Wednesday, March 2. I appeal to members of the government to listen to the paragraph I am about to read. After referring to Mr. Cardin's appeal to trust him it says:

> Given perfection in all men this is a fair enough appeal. But many people have less than 100 per cent faith in the absolute impartiality of any police organization and in the absolute wisdom of any body of men, even federal cabinet ministers. They have a larger degree of faith in the due processes of justice than in the private decisions of some men. While many Canadians are quite prepared to take the word of Mr. Cardin and Mr. Pearson that no injustice has been done to Mr. Spencer, others are not. In the circumstances, the wisest course of action for the government would seem to be to turn the case over to a private judicial inquiry.

If the government is in the right on this matter, as Mr. Cardin says, it has nothing to fear from such an inquiry.

I plead with the Prime Minister, that these words are obviously right. I plead with the minister that these words are obviously right. They have nothing to fear. No harm will be done. Justice will be done and will appear to be done where now it does not appear to be done. I had hoped, Mr. Chairman, that after thinking about it and discussing it with their colleagues the Prime Minister and the Minister of Justice would have changed their minds. I had particularly hoped that when I had brought the attention of the minister and the Prime Minister to the fact that Mr. Spencer has asked for an inquiry they would immediately agree to give him one because he is the aggrieved person.

I got the impression from the minister's words that he was not going to budge. We believe this issue to be of basic importance to the rights of individuals, to the concept of civil liberty and particularly of importance for the protection and security of government employees to make sure they will not be turned out without a chance of having their say before an indenpendent tribunal.

Therefore, Mr. Chairman, I move that vote No. 1 of the estimates of the Department of Justice be reduced by $17,000. I have this motion in both French and English. I hope my French translation is accurate.

The minister's salary, of course, is statutory. I cannot do anything about that.

But I want to be frank with the minister and tell him that the choice of the amount of $17,000 is to make it clear that this is an expression of lack of confidence in the minister and in the way he has handled the Spencer case.

If the minister will rise and say, in view of the telegram which has made it known to him that Mr. Spencer wants an inquiry, that he, the minister, will make further inquiries to satisfy himself that Mr. Spencer wants it—he does not have to accept this wire—and will say to this committee, when he has made inquiries and found that Mr. Spencer wants a judicial inquiry, that he will give him one, nothing will give me greater pleasure than to withdraw this motion and pay the highest compliment and respect to the minister for that decision.

The Chairman: Order, please. It is moved by Mr. Lewis that Vote No. 1 of the estimates of the Department of Justice be reduced by $17,000.

Mr. Fulton: Mr. Chairman, with the last words of the member of York South I am sure all hon. members of the committee will agree, namely, that it is to be earnestly hoped that the Minister of Justice will now realize the untenable position which he is in and in which his colleagues and the government are pinioning him in regard to ordering a judicial inquiry. If a judicial inquiry is ordered, then I can assure you, Mr. Chairman, that the members of this party too will support the member for York South in withdrawing the motion. In the absence of any such direction on the part of the government there will, of course, be no alternative but to support the motion.

It is not easy to take part in this debate and say some of the things that I intend to say. I would much rather not have to say them. I debated with myself very earnestly whether I should participate in the debate at all. I was pretty well resolved on the question in favour of participating and any lingering doubts I had were completely removed by the regrettable and reprehensible conduct of the government and of the Minister of Justice in the course of the debate so far today.

What does the minister do? He absolutely refuses to realize that there is here an extremely important issue not only involving the freedom and liberty of the individual, although that is one of its most important aspects, but also involving the conduct and reputation of the government and therefore necessarily himself as Minister of Justice in connection with the administration of justice. That is what is involved.

The attack upon the minister is not a personal one but he chooses to treat it as such. It was obvious from his reply to the Leader of the Opposition that he fails altogether to realize that and in his failure he is unfortunately supported by his colleagues. I cannot help but feel that some of the major responsibility rests upon other members of the government from the Prime Minister down who have placed him in this impossible position.

• (2:50 p.m.)

The minister does not realize the issue involved but regards the criticism instead as a personal attack on himself. He showed that he still does not appreciate the responsibilities of his office or the untenable position in which he has been placed. So he deals with the matter in his reply this morning only in personal and subjective terms. He did the same in his defence with respect to bankruptcy. He said "No matter how much you urge

me, I refuse to jump". We are not asking the minister to jump, but we wish he would act. We want him to act in accordance with his responsibilities as Minister of Justice.

Instead, what do we see? In his reply to the Leader of the Opposition, in his attitude toward the whole of the opposition and toward those who would dare suggest there should be an official inquiry the minister resorts to the most vicious and public threat of intimidation, an attempt to silence criticism by a threat of intimidation bordering on blackmail.

What conduct for a Minister of Justice to say: You be quiet or I will tell about the Monseignor case. That is what he did. Let me tell him that that approach to blackmail will not work. I regret exceedingly that I have to use those words in connection with one who occupies the post of Minister of Justice, but that is what it was.

I ask the Prime Minister, who regrettably has just left the committee again, to take cognizance of the conduct which was indulged in here and which I personally know was not devised by the Minister of Justice alone.

Mr. Diefenbaker: It was applauded by the Prime Minister.

Mr. Fulton: There were others associated with him in this. I ask the Prime Minister to take cognizance of what has happened. An attempt was made publicly in the House of Commons to still criticism by the threat of intimidation. As the Leader of the Opposition has said, if hon. members opposite feel it appropriate, go ahead. Produce the details if you think there is anything which should be exposed, if there is anything you believe you are in a position to expose, and you will be answered, because there is nothing which from the point of view of any improper conduct on our part we wish to hide. That kind of intimidation simply will not work.

Some hon. Members: Hear, hear.

An hon. Member: You hope.

Mr. Fulton: What does the minister say in this connection? He says: "I have spoken and you must be content with what I have said". He then went on to discuss bankruptcies. Again, the whole attempt was to avoid discussing the facts, to avoid telling us what steps, if any, they have in mind to deal with problems which are real and serious. No one who has occupied this position in the Department of Justice, as I have done, could for a moment deny that. But instead of endeavouring to attract the support of the committee by taking us into his confidence, the minister indulges in cheap sneers at those who preceded him and a pretence that nothing was done to deal with the difficulties which confronted us then.

While I do not pretend that we solved this problem I would remind the committee that, as is well known, we recognized it and we instituted the studies of which the present minister is now the beneficiary. We did the preparatory work and we introduced those studies. We did not complete them and we did not complete all the action which the problem requires to be taken. But his government has now been in office for three years. It is our complaint not that hon. gentlemen opposite have created this problem but that after three years they have done nothing to solve it.

Mr. Cardin: That is not true.

Mr. Fulton: The minister says "That is not true". Apparently he is trying to do something. Well, let him take us into his confidence and get on with the job instead of pretending that he has all the merit and that his predecessor should be condemned.

We must take a serious view of the attitude of the minister and of his attempt to stifle criticism both in the field of bankruptcy and with respect to the Spencer case. He says we are making a personal attack on him, that our criticism amounts to nothing more than a vicious smear. This is exactly what was said at the start of the matters which led to the Dorion inquiry. I know this to be the case, though I was not here in the house at the time. An effort was made to say it was nothing but an effort to discredit the government. So what must we think about the threat which the minister is now prepared to hold over our heads in an effort to stifle criticism?

This matter is too serious to be left on the bitter personal basis to which the Minister of Justice attempted to reduce it. What is involved here is certainly not criticism of the minister alone, though he insists on regarding it as such, either for not prosecuting Mr. Spencer or for not accepting a danger to our security measures with respect to counter-espionage activities in Canada.

Our criticism is based on the inherent stubbornness of the government in refusing

to appoint a judicial inquiry to be held in camera, on the basis of whose findings the public might be assured that the minister and his colleagues are in the right in what they have done. That is all we want, a judicial inquiry in camera so that the actions of the executive may be judged, the actions of an executive, if I may say so, in which we have lost what little confidence which might have been left to us as a result of the attitude of this minister.

Mr. Macdonald (Rosedale): Would the hon. member permit a question?

Mr. Fulton: May I just finish the sentence? We want a judicial inquiry so that these actions may be reviewed by an impartial and independent body and so that the administration of justice itself as well as the interests of Mr. Spencer may be protected.

Mr. Macdonald (Rosedale): Is the hon. member suggesting that as part of this judicial inquiry security officers and counter-espionage officials should be subjected to cross-examination as they would be in a trial according to law?

Mr. Fulton: I think that question is completely irrelevant to what is at issue. I will outline to the hon. member the kind of judicial inquiry I propose and the purpose which I envisage this inquiry as serving. The Minister and the government have branded this man as a spy, as a criminal. It does not matter who did it first. That is one feature which distinguishes this case from any other case of which I am aware. The man has been branded as being an enemy of the state without having been put on trial.

In addition, the minister has said one of two things—I am not sure which he means: on the one hand he says that the evidence in the possession of the department is not sufficient for there to be a reasonable likelihood of a conviction in a court of law. On the other hand he says that the evidence they would be obliged to produce in order to secure a conviction would compromise our security service. It is not clear to me on which of these two grounds the minister relies in his refusal to go to court.

Mr. Nicholson: Both.

• (3:00 p.m.)

Mr. Fulton: The Minister of Labour says "both". We have one good lawyer speaking now from the government side. This may well be so. We say: It may well be that your decision not to go to court is justified but we want a judicial inquiry to be held in camera on the basis of which this question of the adequacy of the reports and the evidence you have against this man may be assessed. Then either one of the two decisions might be confirmed, the first being that that evidence was or was not sufficient to take to court and secure a conviction. That question would be decided. And the other question would also be determined; even though the evidence may have been sufficient, was it or was it not the kind of evidence that could be produced in open court without danger to our security arrangements? This is the information we want to get from a judicial inquiry, to know whether the executive was justified in branding this man as a criminal. Did they have any evidence at all?

Second, we want to know are they justified in refusing that right which every other Canadian has, the right of an open trial in an open court.

Mr. Turner: If I might interject, what the hon. member is suggesting is that the executive, or an act of the executive through the minister, is to be reviewed by what he calls an independent inquiry. In other words, he is subjecting the executive to review by the judicial process. Would he not think the proper review of the executive under our parliamentary system should be by parliament, and that the motion of the hon. member for York South, being perfectly in order, is the proper way to challenge the discretion of the minister—not by a judicial inquiry?

Mr. Fulton: In answer I would first like to know what it is that this executive does not want to have reviewed by a judicial inquiry.

Some hon. Members: Hear, hear.

Mr. Fulton: Second, I am amazed when the Minister without Portfolio suggests that somehow there is some impropriety in having executive actions reviewed by the courts.

Mr. Lewis: That the executive is also the employer is an important point.

Mr. Fulton: That is a point made by the hon. member for York South; but my point is that actions of the executive are constantly reviewed by the courts, and I hope we will not hear any more of this extraordinary doctrine, suggested by the Minister without Portfolio, that the actions of the executive should now be above review by the courts. I hope he will reconsider this, and make it

clear at the first opportunity that he did not mean it, because if he means it, it means that this government believes its actions are above review by the courts.

Mr. Turner: Review by parliament.

Mr. Fulton: Of course it is subject to review by parliament. But is my hon. friend saying that parliament should be given all this evidence, the very things the government is clutching to its bosom and saying it cannot reveal? Is he now saying that this evidence should be given in parliament? I think he and the Minister of Justice should get together before making that kind of contradiction.

What we are saying is that there may have been proper grounds on which the government decided not to take this case to court, but it was an executive decision and we want that decision reviewed by a competent body, and that competent body would be a judge carrying out a judicial inquiry in camera.

I do not think it is necessary to rehearse all the features of this case which make it a special one, although I have heard it suggested, in answer to our request, that we do not normally deal with these cases this way. Of course we don't, but this is a special case. As I said, in the first place the accused has been named, without opportunity of trial, branded a criminal and branded a spy. Second, he is now under constant surveillance.

Of what other man in Canada can it be said—and I hope it will never be said of any other man—that he, like the man named Victor Spencer, shall be under constant surveillance from now until the day he dies? When this question of the propriety of their conduct is raised, my hon. friends opposite regard it as a personal attack on the minister; but the third and most important distinction between this case and all others is the fact that Spencer himself has said, "They dare not prosecute me because if they do heads will roll."

Now, sir, can anyone conscientiously argue on the government side that this is a case which should be buried and left there? If it is buried and left there, it means that the very administration of justice is under a cloud, that the Minister of Justice is under suspicion, that the Prime Minister is under suspicion of refusing to have this matter investigated by a judicial inquiry because they dare not, because heads will roll.

Why don't they do the simple, obvious and decent thing? Why don't they unbend their stubbornness? Why don't they say, "All right, we will have a judicial inquiry. We will clear up these doubts and place the administration of justice beyond question and impeachment in this country"? Until they do that, Mr. Chairman, unfortunately the administration of justice will continue to be under a cloud.

Now may I just say a word with respect to my own intervention in this debate. I was very interested to read the words of the Minister of Justice as recorded at page 1885 of *Hansard* for February 28, when he said:

> The hon. member for Kamloops, for whom I have great esteem, is well acquainted with the difficulties involved in the handling of security cases—

I say, yes I am, and I recognize that these decisions are not easy. The minister continued:

> —and I am sure he will agree with me that no minister of justice would have authorized a prosecution when his legal advisers had recomended that the evidence admissible in court could not and would not carry a conviction.

Again I say I quite agree. It may well be that that was the case. That may have been the advice; but since this is an executive decision, passed upon only by the servants of the executive, it is perfectly appropriate for us to ask to have that decision, in the light of the extraordinary circumstances of this case, reviewed by a competent judge.

The minister went on:

> I also feel quite sure that any minister of justice would be extremely sensitive to the possibility of divulging our counter-espionage activities.

I am. I agree with him. It is one part of his decision which, if it be well based, I respect. But what we are asking for is to have an inquiry which will make a report to us on whether this decision was well based, whether the case could not be taken to court without divulging essential security measures.

Mr. Cardin: Would the hon. member permit a question? Does he feel that this type of an inquiry into decisions that have been taken wisely should continue in all types of security cases?

Mr. Fulton: No, Mr. Chairman. I have endeavoured to make that clear. This is an extraordinary case. This is not the average case.

Mr. Cardin: Why?

Mr. Fulton: I think I gave the minister the four features, the four factors that clearly distinguish it from every other case and make it extraordinary. Perhaps I should repeat them. First, we have a man branded publicly as a criminal.

Mr. Cardin: By himself.

Mr. Fulton: I had hoped the Minister of Justice would not seek to take refuge in that kind of inconsequentiality. The identity of Spencer could not help but be revealed when he was dismissed from his job. Then the minister got on a television program and named him.

Mr. Cardin: He was named before.

Mr. Fulton: All I can say is that the minister is impervious to common sense. The minister named him. Spencer is branded as a criminal. He is placed under perpetual surveillance, and he himself has said, "They dare not prosecute me because heads will roll." I say those circumstances place the minister under an obligation to treat this differently from other cases, to have a judicial inquiry and dispose of these issues, else there is a cloud under which he will live for the rest of his presumably short tenure as Minister of Justice.

Sir, I find I am supported in this view by others on the government side, by no less an authority, rising authority, than the hon. member for St. John's West who, as recorded at page 1917 of *Hansard* for February 28, with reference to the Prime Minister's announcement that there should be a separate body to investigate security cases, said:

> The point I have in mind is that in the future we should have a separate body which involves at least one judge outside the administration itself.

That is what we are asking for here—a judicial inquiry outside the administration itself, so that the house and the country may know that there was in fact proper support for the actions taken by the executive, and for the decisions to brand Mr. Spencer for life as a criminal, without giving him the right of trial in court, and for depriving him of his pension and all other rights. This was an act of the executive; but now unfortunately we find the government begins to believe that it should be beyond review by the courts.

This morning the Minister of Justice said that sometimes one gets carried away in the heat of debate. I hope he will review his own actions. I trust that the Prime Minster and his colleagues will review their actions and say, "Maybe we got ourselves into an extremely stubborn position. It may now be a little difficult for us to reverse ourselves." But in view of what is at stake, in view of the interests of preserving the integrity of the whole concept of justice, I trust they will be able to make this human gesture in the interests of civil rights, fundamental freedoms, the institution of parliament, and the integrity of government, and do the right thing even at this late date.

• (3:10 p.m.)

[*Translation*]

Mr. Marchand: Mr. Chairman, since I am a member of the cabinet that took the position which led to Mr. Spencer's dismissal and because of my professional background, I am particularly concerned with this problem. I spent part of my life fighting for the right of an employee to be heard in cases of dismissal as well as in others. Therefore I am not indifferent to the arguments brought forward in support of this grievance, on the contrary.

When the Spencer case came up or at least when the case was brought to my attention, the government had not decided yet, if I remember correctly, whether he was to be dismissed under section 50, section 65 or section 60 of the Civil Service Act.

The first section did not provide the right of appeal. The second one did. I suppose there was a reason for including section 50 in the act; otherwise, it would not have been needed, since section 60 provided for the right of appeal in case of dismissal.

The house decided, by passing section 50, that there were cases of dismissal which, for the common good of the state, should not provide the right of appeal. I was not in the house then and several hon. members who took part in the debate were not there either. That section was passed so that there would not be any right of appeal, in order to protect the security of the state.

I take the facts as they are in 1966. I notice that section 50 was unanimously passed by the house. This means that the Conservative party proposed it, the New Democratic Party approved it, as well as the Liberal party, in short all the members of the house agreed that there were cases when, for reasons of security or for other reasons, it is better not to grant the right of appeal, which is quite a normal right under ordinary circumstances, a dismissal or any other decision imposed by the government. There is no doubt that if there is any discretionary power, someone must exercise it, that is to say that the cabinet, knowing certain facts, must give a judgment and know if an employee must be dismissed under the first or second section. In this case, in view of the facts given us, we deemed it necessary to dismiss him under

section 50, since the house had unanimously passed it and since it was meant to protect what is called the common good and the security of the state. That is how the problem appeared to us.

Is section 50 justified? I do not have to discuss it, since the house unanimously decided that there should be such a section. If a dismissal resulting from the discretion used by the cabinet, in a particular case, under section 50, can be appealed, in spite of what the hon. member for Kamloops (Mr. Fulton) says, all cases can be appealed; there is not a single one that cannot be appealed. If someone endangers the state in a very serious manner, there will always be someone in this house to say: That employee did not enjoy all the democratic remedies provided by our judicial system; there should be an appeal to a judge. I am not saying that this stand is indefensible.

All I say is that, by virtue of the act enacted by the House of Commons, section 50 no longer means anything, if the decisions of the government can be disputed when a problem occurs similar to the one in Spencer's case. Let the R.C.M.P. arrest on the train tomorrow morning someone who is selling out the whole country to Russia, Communist China or another country, let him be fired, and anyone, the member for York South (Mr. Lewis) or any other member can rise and ask for an investigation. I am not saying that this would be a bad thing.

I am merely saying that I wonder why—those who were in the house at that time might know—why was section 50 included in the statutes? If the house feels that no case could occur where an employee might be deprived of his democratic rights, I would like to know it and we can settle the case.

Some time ago, the hon. member for York South seemed to understand me perfectly but we do not seem to understand each other anymore, possibly due to the division in the house. He blamed me for having connected to the facts, for having used an argument related to the formulation of a grievance by Mr. Spencer. I think that, for any other than the hon. member for York South, I would have to make a long speech to prove that he is aware of the situation, due to the fact that it is a problem of employer-employee relations and that he is aware that in industry, grievances are not formulated, that unions object to the formulation of grievances that many people sometimes fail to take the means available under law, for their own reasons, that in the field of employer-employee relations, we asked that the grievances be formulated by the party involved.

The member for York South is surprised by this; conversely, I am most surprised, because it is normal practice in the field where he spent his life. We usually ask the worker to formulate in writing the grievance he wants to submit, so that we may know exactly what he is complaining about.

I wonder why he was surprised at my remark, because it seemed so matter of fact, especially to someone who has spent all his life dealing with labour and management relations.

Now, in a case like Spencer's, the telegram produced by the hon. member for York South (Mr. Lewis) is undoubtedly a new development for me, that is to say, from the time he stated his grievance. What surprises me is that after a month-long debate in the house, Mr. Spencer should decide voluntarily to state his grievance. It is not up to me to launch an inquiry. I do not know how this grievance was stated and I shall not question the good intentions of the persons who went to examine him or the methods they used.

I do not know this but, in view of the importance given to the Spencer case, I assume that Mr. Spencer is presenting his case before us today and asking that it be reconsidered. But let us not forget, and this was emphasized by the member for York South, that he does not ask to be reinstated; he asks that his name be cleared and that he be given a pension. Of course, Mr. Spencer is seriously ill and does not expect to work on account of ill-health. His telegram is actually an admission of guilt. In my opinion, if a person is dismissed, if he thinks that he has been dismissed unfairly and if, in his appeal, he does not ask to be reinstated, this is strong presumptive evidence against him.

Some hon. Members: Oh, oh.

Mr. Marchand: I think that the only justification for the wording of the telegram would be that Mr. Spencer is ill and no longer wishes to get his old job back. In any case—

[*English*]

• (3:20 p.m.)

Mr. Lewis: Mr. Chairman, would the hon. member permit a question? I should like to ask him whether he did not hear my invitation to the Minister of Justice to make inquiries from Mr. Spencer? He does not have to act on the telegram I received. All I want him to do is act in accordance with the

request of Mr. Spencer. If he has any doubt about my telegram, let him make his own inquiries.

[*Translation*]

Mr. Marchand: Then, I do not have to answer the question.

I conclude by saying simply that in cases of this sort, the Spencer case, the human element is important. There are also group interests, party interests, and that is quite normal. I think you will find such influences at work everywhere, but above that there remains the fundamental institutions which we must represent here.

I do not know how the house will finally deal with the Spencer case but section 50 and the whole question of the relations between the government, security agencies and those who negotiate on behalf of employees are involved here. It is not simply a case we can isolate, but I feel that this goes against what the house has already endorsed unanimously.

[*English*]

Mr. Pennell: Mr. Chairman, I propose to inflict myself upon the committee for but a few minutes. The issue here is the ancient one of freedom and security. There is no need for me to say that we must never use security as an instrument to impair freedom, but let us not forget that there can be no freedom without security.

The issue, as I see it, divides itself into two parts, the question of the dismissal and the decision not to prosecute. I propose to deal with the last point first. Under our constitution as I understand it the decision whether or not to prosecute is not the concern of the government but the concern of the law officers of the crown. I call as my witness Sir Hartley Shawcross, one of the most distinguished occupants of the attorney generalship in Great Britain in the years 1945 to 1951. With the leave of the committee I would quote his words as found in the Official Report of Parliamentary Debates, volume 460, where Sir Hartley Shawcross said:

> I have always understood the position of the Attorney General to be that he is solely responsible for the decision in any case which comes to him. He must inform himself of all relevant matters. Matters of policy may be relevant. If he thinks that they are, it is for him to inform himself of the views of his colleagues, and not for his colleagues to volunteer those views to him. If, when he has informed himself of those views he thinks it desirable—and it is a matter for him—he attaches such weight to them as he thinks right, but the decision is solely and exclusively for him. That was laid down in a number of cases. Lord Birkenhead made it clear in a well-remembered letter to "The Times," and I think it has been generally accepted since that time.

Under our constitution as I understand it the law officers have a double character. On the one hand they have a political capacity and on the other a quasi-judicial capacity, each of which imposes upon them a separate and a special obligation. I am here to bear testimony to the fact that the Minister of Justice at all times has kept the two roles distinct and separate throughout this case.

Some hon. Members: Hear, hear.

Mr. Pennell: It is a time-honoured principle laid down in the very homestead of freedom at Westminster that there ought not to be a prosecution if the law officer of the Crown feels in his own heart that the evidence would not justify a conviction. I speak out of a deep and intimate knowledge of this case and know that the Minister of Justice revolved this matter in his mind a great deal before coming to a decision.

Let us not forget that the rules of evidence in a criminal court are extremely rigid. For instance—and I am now speaking generally—you cannot put the accused man into the witness box to testify if he does not wish to go there. The question uppermost in the mind of the law officer at all times is this: Would it be in the interest of justice, would it be in the public interest to carry out a prosecution in a given case?

In this case the Minister of Justice consulted his legal advisers who have been in the department for many years. They informed him of all the relevant matters and then, having concluded that on the grounds of evidentiary difficulties it was highly unlikely that there would be a successful prosecution, I submit there was no course open to him, by his oath of office and the spirit of the law, but to refuse to sanction a prosecution. Therefore, Mr. Chairman, when I hear hon. members talk about sending this matter to another judicial body to determine whether there should or should not be a prosecution I can only say there has been a complete misconception of the spirit of the law in this country.

I propose to say just a word about the dismissal. I purposely avoid the question about the identification of the civil servant in question. I only say to you that the Minister of Justice, if my memory does not belie me, publicly announced that there would be no prosecution before there had been identification of Spencer in this case. The Minister of

Justice has put before this committee clear evidence, I respectfully submit, which shows that Spencer was the author of his own identification.

Now I come to the question of the dismissal. Once there had been a decision on the part of the law officers not to prosecute, then it became a collective responsibility of the executive to decide whether or not he should continue in employment. It is a trite observation on my part to say that when you consider a dismissal by an employer, and this now becomes a matter of employer-employee relationship, you have to consider evidence other than that which would be admissible in a court of law, and I am only talking about a criminal court. It was incumbent upon the executive then to look at all the evidence strictly in a manner that would apply in the civil courts. Many hon. members in this house have had this experience. If the committee will permit me, Mr. Chairman, I will draw upon an experience when I defended certain people charged with theft from their employers. They were acquitted of the charge. They decided to go on with this matter and brought an action in the civil court for wrongful dismissal. Evidence that could not be admitted in a criminal court was heard in the civil court. Their application for reinstatement was rejected. There was a duty resting upon the government to consider all the evidence.

I come now to section 50 of the Civil Service Act. I do not want to re-traverse all this ground. I see that the right hon. Leader of the Opposition is not in his place. I say that with the passage of the Bill of Rights he forever set his seal upon the administration of justice in this country, I acknowledge that it stands as a great landmark in the relentless and unremitting struggle between the individual and the authority of the state. That was in 1960. In 1961 we amended the Civil Service Act. Whether we did it in different words or, as has been suggested, we merely re-enacted section 52, none the less this house introduced section 50.

What is the significance of section 50? Some hon. members may smile, but I ask what is the significance of section 50? I suggest it is that this house clearly contemplated that there would be those rare and exceptional cases of misconduct on the part of a civil servant which would be of such a type that it deserved to be condemned and punished by invoking section 50, that is by dismissal without appeal. For what other reason would this house have put it on the statute books?

I draw upon other evidence which I am sure will receive the support of every hon. member of this house. I refer now to the report of the Privy Councillors of Great Britain in 1956, consisting of the Right Hon. Herbert Morrison, Lord Jowett, the Secretary of State for the Home Office and the Lord Chancellor. I shall read just one salient and very instructive sentence:

> The conference is of the opinion that in deciding these difficult and often borderline cases, it is right to continue the practice of tilting the balance in favour of offering greater protection to the security of the state rather than in the direction of safeguarding the rights of the individual.

They went on to say:

> The conference recognize that some of the measures which the state is driven to take to protect its security are in some respects alien to our traditional practices. Thus, in order not to imperil sources of information, decisions have sometimes to be taken without revealing full details of the supporting evidence.

• (3:30 p.m.)

Clearly, I submit, in matters of security the government, the executive, must be the final arbiter. This is their responsibility and they cannot divest themselves of this responsibility. They cannot abdicate the duty they owe to the people in connection with Canadian security. Clearly it was never contemplated that every case of security should go to the courts. So in this case what did we do? The government looked at all the evidence, they weighed it carefully, closely, conscientiously, and reached a decision that the misconduct in this case brought it within section 50 and they acted accordingly.

[*Translation*]

Mr. Grégoire: Mr. Chairman, one has to admit that we are getting from both sides of the house arguments that are certainly not without value. We cannot remain indifferent to the appeals of some members of the opposition who want Mr. Spencer to be given all the freedom he is entitled to as a Canadian citizen. On the other hand, we cannot help but be struck by the appeals made, for the sake of national security, by ministers who are surely conscious of their responsibilities.

I have been re-reading one of Pascal's thoughts that I find perfectly suited to the situation we are going through. Here it is:

> When one is reaching for all virtues to the extreme, here and there vices start creeping in imperceptibly as they slowly make their way toward the small infinite; and a multitude of vices also appear along the road to the great infinite,

so that one becomes lost in emptiness and is no longer able to see the virtues. One is caught in perfection itself.

Mr. Chairman, this is what happens more or less on both sides of the house.

There is another thought of Pascal, a little shorter, this one, that I might apply to those who lend passion to this debate and I quote:

Man is neither angel nor beast, and unfortunately he who would act the angel acts the beast.

This, up to a point, is what we have here; passions are roused on both sides in an attempt to prove equally and entirely virtuous.

Yet there are questions to be raised. The Spencer case is not anything new. There have been similar cases in the past and it would be interesting to know what happened then.

I was surprised to hear the Minister of Justice (Mr. Cardin) formally and openly dare in this house the Leader of the Opposition (Mr. Diefenbaker) to refer to certain action he took when he was leader of the government in order to establish whether the same thing had not happened at that time. Among other things, mention was made of the Monseignor case which took place when the Leader of the Opposition was Prime Minister. Both cases are reported to be almost similar. It is hard to learn much about this matter, because the ministers, as far as I can see, feel bound by their oath of secrecy. Even though they are cornered, they make every effort not to divulge anything. It is rather by other persons that the truth could be known.

Since the Minister of Justice made reference to the Monseignor case in today's debate, I should like to ask him whether it involved national security as the Spencer case now before the house? In the Monseignor case, did Canadian citizens suffer penalties such as Spencer is suffering, without any proceedings or other form of inquiry? Did the same thing occur in a possibly similar case while the present Leader of the Opposition was in power? Is it not true that in the Monseignor case the Prime Minister of the day intervened personally to avoid prosecution and judicial inquiry? And when I say intervene, I insist on saying "intervene personally."

Since the leader of the opposition has just resumed his seat, I might perhaps repeat the questions I asked before he entered the house. He might then give us the answers to the questions I put with regard to the Monseignor case?

Here was the first: Was that case one of national security, like the Spencer case now being studied? In that case, were sanctions imposed upon individuals without their having had the privilege of a trial or judicial inquiry similar to the one now requested? Might it not be that the former Prime Minister intervened personally so that proceedings or an inquiry might be avoided?

In the Monseignor case, did the former Prime Minister not ask that some facts be not revealed and that some actions be concealed, saying that it was necessary for the security of the country, exactly as the cabinet claims now? In the Monseignor case, were not certain individuals, at the request of the former Prime Minister, found out or kept out of the inquiry so that they would not be incriminated? Did the former Prime Minister not act like this after being influenced by certain individuals or certain people who had no connection with the cabinet, the Justice Department or the House of Commons?

The answers to these questions would likely enlighten us in the case now under consideration. If the Leader of the Opposition would tell us why some members of the opposition behaved in such a way, we might understand why the cabinet is behaving otherwise today.

Mr. Chairman, as I said earlier, as far as we are concerned, we are still puzzled. There is a motion before us, and I know that members of our group are still wondering who is right and who is wrong. We are seeking the truth, we do not want to condemn an individual unfairly but, on the other hand, we do not want the security of the state to be threatened either, in order to protect an individual who is not actually worth it.

Now, Mr. Chairman, there is a point which I believe was raised by the hon. member for York South (Mr. Lewis); anyway that point is reported in today's Ottawa *Journal* in which it is said that there are now two lawyers working on the case. If my understanding of the newspaper item is correct, those lawyers, one of which is Mr. John Laxton, have been appointed by the New Democratic Party to defend the interests of this Mr. Spencer. Mr. Chairman, that is exactly what I suggested three or four days ago during consideration of the estimates of the Department of Justice: if someone believes initiatives should be taken and Spencer's rights defended before the courts, let him do it.

I mentioned that if the same thing had happened in the constituency of Lapointe, I

would have sought personally to ensure justice to a fellow-citizen.

Well, I now see that the New Democratic Party has taken that initiative and has put Spencer's case into the hands of a Vancouver lawyer, Mr. John Laxton, and the hon. member for York South added in his press conference:

• (3:40 p.m.)

[*English*]

He has retained Vancouver lawyer John Laxton and Mr. Cardin agreed to instruct the R.C.M.P. to make Spencer available to Mr. Laxton.

[*Translation*]

Considering, Mr. Chairman, that the Minister of Justice agreed to a lawyer meeting Mr. Spencer to deal with this case, is this not the best procedure? Now that lawyers are handling the Spencer case, is it necessary for parliament to launch an inquiry?

I think it is desirable to let lawyers defend the rights and privileges of Spencer, since the Minister of Justice himself agreed to let lawyers handle it.

Further in the article, it is said that another lawyer—I think he is also a lawyer—Harry Raskin, of Vancouver, is also personally handling the Spencer case.

I think that parliament should be satisfied that lawyers are not prevented from dealing with the Spencer case.

But, Mr. Chairman, what strikes me is the vindictiveness with which some hon. members go after some French speaking ministers. I rose a little earlier but I could not speak because the committee was considering a motion. I must say that I did not like the meanness shown by the hon. member for Yukon (Mr. Nielsen). The President of the Privy Council (Mr. Favreau) did not rise; he did not have the right to speak. Nothing was heard. So he gets up and states for all to hear in the house that the President of the Privy Council had just said something that was not even official.

But, the microphone on that side was dead since the hon. member for Yukon had the floor. The minister was not on his feet. Now, let the hon. member for Yukon tell us if, in the case of the former Postmaster General, after Justice Dorion said: "Anyone who harmed his reputation should apologize", he apologized. He blamed the other minister but he never apologized to the former Postmaster General, the hon. member for Matapédia-Matane (Mr. Tremblay). Today, since it is urgent to pass the estimates, claiming that nothing official had been said, he tried to get another one to his knees, asking him to apologize, when he himself has never had the courage and intestinal fortitude to apologize to another one whose reputation was clear and whom he went after in this house and outside.

The hon. member for Yukon should justify his behaviour. I was the first one in the house to take him to task. Well, no, this is forgotten. On the other hand, the hon. member for Yukon has started a lot of rumours in the last seven or eight days about the Department of Justice. I could read the statements of February 8, in Victoria, in *Le Droit* or *Le Devoir* on February 9, 1966:

I have a list showing the names of the companies implicated and the names of the individuals involved in the matter.

Why did he not bring it? He says that everything is mentioned in the Dorion report. No, Mr. Chairman, there is nothing said about fraudulent bankruptcies in the Dorion inquiry.

The hon. member for Yukon was saying, and this makes him even closer. The *Journal* of February 8, 1966:

[*English*]

He said he will present this evidence in the House of Commons when he returns to Ottawa later this week.

[*Translation*]

That was three weeks ago, and still no evidence.

Mr. Chairman, I should like to say that we are seeing the biggest deflated balloon since confederation. Oh, he had a very high reputation and all the newspaper men said: "That is the man who brought about the Dorion inquiry".

But here, there is no sign of the names and lists which he claims to have. Where are they?

Mr. Chairman, I shall quote a beautiful thought of Pascal's—good even though it is old:

The mind of this man who sits on judgment on the world is not so independent that he cannot be disturbed by the first noise he hears. There is no need of cannon fire to prevent him from thinking: the noise of a weathercock or a pulley is enough. Do not be surprised if now he cannot reason properly; a fly is buzzing in his ear; that is enough to make him incapable of giving good advice.

In Pascal, Mr. Chairman, we find a great many wonderful thoughts. Here is one. I should like to digress in order to quote another one which fits the present Leader of the Opposition (Mr. Diefenbaker) perfectly. It is so right and accurate that you will not fail

to recognize the truth in Pascal's thought: the Leader of the Opposition is so presumptuous that he would like to be known throughout the world and even by people who will come after he is gone; and he is so vain that the esteem of five or six persons around him amuses and satisfies him.

I waited, Mr. Chairman, before reading those clippings over again; I was expecting the famous names of those famous companies, but nothing came out.

Would it not be that the hon. member for Yukon made statements too soon? Would it not be that he thought he was immunized, or at least important enough due to the results of the Dorion inquiry, so that today he is no longer justified? Did he change his mind?

It is easy to see from the way he acts now that the balloon has burst and that before long he will prove to be the greatest flop of this century.

I should like to conclude on one of Pascal's thoughts. It is above politics; there are things done on both sides without changing sides. An individual asks another:

> Why do you kill me? The other answers: Do you not live on the other side of the water?
>
> If you lived on this side, my friend, I should be a murderer, and it would be unjust to kill you. But since you live on the other side, it is just, and I am a hero.

Pascal, Mr. Chairman.

Well, Mr. Chairman, I take it upon myself to speak in this fashion precisely because in such a case as this I should have preferred to a display of political emotions and aroused passions, a reasonable and sensible discussion of the matter, so that we might be able to judge. We are sorry it was not so.

We shall try to put in practice Pascal's last thought: the side does not count, we will try to hear above the fly that buzzes in our ear, we will try to judge to the best of our ability.

• (3:50 p.m.)

[*English*]

Mr. Pearson: Mr. Chairman, the committee and the house have spent a good deal of time on this particular case. I think that is understandable and is right because it involves questions of national security, questions of the effectiveness in the past and the continued effectiveness in the future of our security arrangements for the protection of our state, and of our society against subversive action. This, of course, is the first duty of a government; certainly a first duty of government, and particularly of the head of a government: To make sure that these arrangements in so far as you can make sure, are effective.

Also involved, Mr. Chairman, are questions of human rights, fundamental human rights, the rights of an individual as a citizen against unjust, and even illegal action by the state. I know that members of the committee are concerned with both aspects of this very difficult case. I should like to say if I might, Mr. Chairman, that both aspects, but more particularly one aspect, were put very forcibly before the committee in a speech a short time ago by the hon. member for York South. I appreciate the strength of his feeling. I appreciate the strength of feelings of other members, feelings hostile to the government in the way it has handled or managed this case, I appreciate the strength of this feeling and I appreciate the way in which the hon. member put it forward.

I should also like this to be known, Mr. Chairman. Naturally, I as the head of the government take the responsibility, the primary responsibility, for everything that has been done in this matter by the government. Any minister who has a particular responsibility acts only as a member of the government of which I am the head. Any action taken against the minister is naturally taken against the government and must be considered as such. In what I have said in the past and in what I am to say now, I am speaking as the head of the government, but also after consultation with the Minister of Justice who is more particularly concerned with this matter, and who might in other circumstances have been anxious to make that statement himself. But I persuaded him to let me make it.

There are those two aspects, then, of this very difficult case, when I have mentioned, Mr. Chairman, I am just as concerned with the second aspect, the rights of the individual, however humble he may be, however powerless he may be, as I am with the national security aspect.

My concern with security, of course, is the concern of someone who has the responsibility of government. My concern with the human rights aspect of the case is dual. It is the concern of a man who has the responsibility of government, but it is also the concern of an individual Canadian who believes in the freedom of the individual against the state, if necessary. I am asking the members of the committee to accept the sincerity of my views in this matter.

It has been suggested, I think by the hon. member for York South, that members of the government never admit that they ever make mistakes. I do not think he can accuse me of that strength, or that weakness, whichever it is. I have in the past admitted that there have been mistakes, and I will admit that in the future, when we make mistakes.

I believe that we have handled this matter, as a government, having regard to the issues involved, in the right way. I believe, however, that in an effort last May to call attention to the dangers to our national security of certain kinds of conspiracies which were developing in this country and of which we had evidence; the relationship of these dangers to civil servants, and to newer Canadians and people who might be exposed to temptation, that in giving the kind of publicity that we did, which was absolutely unprecedented in our security history, we made a mistake; that is, in the way that it was done.

Nevertheless, apart from that, I believe that the procedures which we have followed have been correct, and I believe that they did not inflict an injustice on the man concerned.

Until today, Mr. Chairman, this member of the civil service had never given any indication, so far as I know, to anybody that he himself was dissatisfied with the treatment he had received. It has been suggested that naturally he is not going to talk to security officers and members of the police and say that he is dissatisfied. In any event it might be argued that if he did talk like that, at least we would not hear about it in the government. If you take that position, Mr. Chairman, I would call attention to the fact that Mr. Spencer in the telegram which my hon. friend read this afternoon publicly acknowledged the consideration he had received from the police, which is something I had indicated more than once in this debate, but which was certainly much more impressive in coming from the gentleman himself. So, we had no reason to believe that he was dissatisfied with his treatment.

Nor had we any indication from him that he wished an inquiry. Indeed, Mr. Chairman, we had from him a document signed by himself, which I cannot disclose—it is a long document with considerable security information in it which would be contrary to the national interest to disclose, and I hope and I am sure that hon. members will accept that —nevertheless it was a document signed by him in which he admitted conduct which was improper for a civil servant of the government of Canada, which justified his dismissal from the civil service. He was so dismissed under the Civil Service Act, under a clause in that act, clause 50, which does not provide for an appeal. When the act was revised in 1961 this clause was kept in. I am not criticizing the previous government for this.

My hon. friend from Carleton (Mr. Bell) may remember, because he took a very prominent part in the debate, that at the time the clause was considered necessary for this kind of security situation. That is the way it has been regarded since that time. I am not at all sure it should have been kept in. I am not sure now in view of what we have run into in this debate that it should still be kept in. The fact is, however, that it was included, and included by a unanimous vote of this house, including members of the New Democratic party. So, we acted under a clause in the act which had received the unanimous approval of parliament when it was being adopted in 1961.

• (4:00 p.m.)

Action has been taken in the past, Mr. Chairman, against civil servants who have prejudiced national security and who have acted improperly and been dismissed, and there has never been an appeal against this kind of decision of the Civil Service Commission. The right hon. gentleman will recall the case of a civil servant—and I am not complaining about this; I think it was the right way to proceed—who was dismissed, not under article 50, because this was before the revision of the legislation, but under article 52, which was practically the same, because he had been faithless to his duty as a civil servant. In that case there was no appeal, nor did he ask for any; and he could not have made an appeal, under the law, had he asked. We took action under this particular section of the act because we thought it was the section applicable to this particular case. The civil servant in question agreed he had done things which justified—certainly in the government's view—his dismissal. He was very ill at the time. He is still ill. In securing information from him—I think I can say this, now, because of his own remarks about the police —he was shown every possible consideration. That is one reason why the inquiry extended over so many months—so that his physical condition would not be prejudiced by the kind of inquiry which was required.

This was the situation until today when the hon. member for York South put on record a

telegram which he had quoted, the pertinent parts of which I have taken down. Oh, I know it has been argued already today that we should have known he wanted an inquiry of some kind, that he was protesting because letters were received from a Mr. Rankin—I believe this was the name—though there was nothing on the letterhead to indicate that he was a counsel for Mr. Spencer. One letter was a mere request for the order in council dismissing him. This was a public document, and it was furnished. The other was a request for information as to the ground for his dismissal. The writer was referred to the Civil Service Act by the civil servant who dealt with the matter. Those are the only two documents. I do not think that we as a government should have been expected to draw the conclusion from those two documents that this man was seeking a hearing and had secured a lawyer to prepare the way for it.

However that may be, there was a message this morning—a telegram, according to the hon. member—

Mr. Lewis: It may be of assistance to the right hon. gentleman if I say I have just sent a copy over to him.

Mr. Pearson: —from a John Laxton, a reputable lawyer in Vancouver, and Mr. Victor Spencer. In this telegram Mr. Laxton quotes Mr. Spencer as saying he wants an inquiry into his case because he does not feel he has been fairly dealt with. His complaint—and this is why he feels he has not been fairly dealt with—is about the nature of his dismissal and the unfair deprivation of benefits associated with his job, such as pension and insurance benefits. Then he goes on to say he is not complaining about his treatment by the police.

As I understand it—and I am not a lawyer—he is complaining as an employee to his employer about the way in which he has been dismissed—the nature of his dismissal. He is complaining of being deprived of benefits associated with his job. I am not going into the technicalities of his right to superannuation—they have been dealt with by more than one speaker on this side of the house. Any civil servant taking a post with the government presumably knows what those rights are and he knows, also, that they can be forfeited by improper conduct. Perhaps Mr. Spencer does not know this. Perhaps he does not know he can be deprived of certain superannuation rights because of the nature of his dismissal.

I think it is my duty, now, to telephone Mr. Spencer myself. I do this, not because I throw any doubt on the authenticity of this message, but if Mr. Spencer is to be given the benefit of an inquiry into the nature of his dismissal and his superannuation rights, I think we in the government have the right to ask him the question whether he wants such an inquiry. He has not said so before. I know that in the past he has said he wanted to be left alone.

Mr. Lewis: I suggested that.

Mr. Pearson: I am grateful to the hon. member. If he feels it would add to the impressiveness of the telephone call I would be glad to have him in the office at the end of another telephone line and he could listen to what was being said. I say that because I might not get every word straight from Mr. Spencer. I would be glad to have this call monitored by anyone to make sure we do not have any kind of misunderstanding—not deliberate, but accidental misrepresentation of anything he might say. I think this is important because long distance telephone calls can at times lead to misunderstandings.

If Mr. Spencer says yes, and confirms this telegram, and says "I want an inquiry into the nature of my dismissal; I am worried about my superannuation benefits, and I want this situation cleared up", I do not see any reason in the world why we should not grant him this request. I am quite prepared to do that if this telephone call confirms he would like an inquiry of that kind.

But let it be clear—and I stand firmly on this: We do not feel we have acted in any wrong way with respect to the inquiries we have made in relation to the security aspects of this case and his relationship to them. We do not feel we have been unfair to him in any respect in his dismissal from the civil service consequent on his own admissions. And we do not think any interest would be served—indeed, the security services might be prejudiced—by an inquiry into the security aspects of this matter. Nevertheless, in the aspects which concern Spencer as a civil servant, the denial of rights he now claims, he should be allowed the benefit of an inquiry. We would be glad to make that possible. He could come here to Ottawa and the inquiry could be held here, or if he is not fit to travel to Ottawa the inquiry could be held in Vancouver. Such an inquiry would remove any doubt that he has been unfairly treated

with regard to his superannuation benefits and other aspects of his dismissal as a civil servant.

Mr. Lewis: I should like to ask the Prime Minister whether I understood him correctly to say that if he finds Mr. Spencer wants the kind of inquiry he has suggested, such an inquiry would be carried out by a judge, or judges? The right hon. gentleman did not make clear whether this was to be an independent inquiry by a judge.

Mr. Pearson: It seems to me in view of everything that has been said that any inquiry, if only an inquiry into the nature of his dismissal and superannuation benefits, should be held by someone completely outside the civil service or the government. I think that would be by a judge.

• (4:10 p.m.)

Mr. Diefenbaker: Mr. Chairman, it is not for me, and under no circumstances would I point out that had it not been for the strong stand taken in this parliament a grave wrong would not—

Mr. Teillet: You are prejudging.

Mr. Diefenbaker: —a grave wrong would not have been brought to the attention of the Canadian people. While the suggestion by the Prime Minister goes part way it still leaves great uncertainty in answer to much of the criticism that has taken place. But anyway I say this, after the intransigent position taken by the government for so long, and without going into any further detail, the announcement by the Prime Minister indicates the power of parliament to achieve justice and to preserve fundamental freedoms and human rights.

Some hon. Members: Hear, hear.

Mr. Patterson: Mr. Chairman, I am sure all hon. members recognize that we in this group have not, up until the present, participated in the discussion of the estimates of the Department of Justice. That has not been because we are disinterested in the discussions which have been taking place. There were occasions when we wanted to participate but the battle lines were drawn so clearly, and the battle was raging so vociferously, we did not have an opportune time to make any comments.

I first wish to speak about the division of responsibility which has been announced. Because of the proliferation of duties that has built up, it has been decided to disperse these responsibilities among three ministers of the Crown, the Minister of Justice, the Solicitor General and the President of the Privy Council. I do not know whether this will facilitate the work, but we recognize the fact that changes have to take place and if these result in a more adequate and effective administration of the various matters coming within the justice portfolio we are prepared to support that division of responsibility.

This may seem anti-climatic to all the discussion which has ranged around the Victor Spencer case, but so far as this party is concerned, and I am speaking on behalf of our leader who intended to participate but who had to leave, we recognize that the government has the responsibility for assuring the security of the nation. Even though there are times when we may question and disagree with the government's judgment, we realize it must accept the final responsibility in matters of security. On the other hand, as has been rightly stressed by many opposition speakers, the basic rights and freedoms of the individual citizen must be assured. Therefore the difficult task is to reconcile the interests of security with the assurance and maintenance of the fundamental rights and freedoms of the individual.

I shall not mention any more about this except to say we appreciate the announcement made by the Prime Minister in that, so far as this one aspect of the problem is concerned, he is quite prepared to allow it to go before a court of inquiry, or a judicial inquiry. I believe the Prime Minister and the government are wise in doing this.

Many statements have been made on both sides, some to the effect that such a matter has never been handled before like this, and others to the effect that it is the usual practice. We only hope this will clear the air, and that from now on there will be a recognized pattern for taking care of these cases without causing all the furore and fuss which we have had during the past few days.

Another matter which has received considerable attention is organized crime. Canadians are uneasy at the possibility organized crime is establishing spheres of influence in our society. In saying this I am not casting innuendos at the government or anybody else. I am just stating a bald fact, that the people of Canada are very disturbed. They have seen this matter covered in newspaper stories, heard about it over the radio, and watch personalities discuss it on television. The public are very perturbed lest they eventually

find themselves in a position where our society in general, with all its activities and tradition, may be dictated by organized crime and criminal elements which have managed to infiltrate various phases of our society.

We can refer to the findings of the Dorion commission. We can refer to the expressed concern about fraudulent bankruptcy, and the many other crimes which may be tied in with that whole problem, and Canadians are apprehensive that so little seems to be done about it. I am not going to say that nothing is done about it. Today the Minister of Justice outlined a number of steps that the government is taking to try and meet this challenge. I am not going to say nothing has been done, or even that little has been done, but I do say Canadians are disturbed that so little seems to be done. This may be due to poor public relations on the part of the government, but the fact remains Canadians have the impression that little is being done to solve what has become a critical problem in our society.

The government should not have to be pushed or prodded, but the people of Canada should be informed of what is going on and what should be done. I realize this whole problem was discussed at a dominion-provincial conference attended by the Attorneys General of the provinces, which was a good thing.

Some Liberal party supporters have raised the question of the constitutionality of the appointment of a royal commission to look into this matter, and have pointed out that basically it is a problem which falls within provincial jurisdiction. That may be so. However, there are a great many issues today which formerly were under the complete jurisdiction of the provinces, but have now become a joint federal-provincial responsibility as a result of negotiations and agreements between the federal and provincial departments and agencies.

• (4:20 p.m.)

I believe determined and concerted action is required to meet this challenge. It does not matter how we approach this; if it is felt that the best agency or group to handle this is the Minister of Justice and the attorneys general, all well and good, but I hope they get down to work, get down to business and in some way or other get rid of the carping criticism which exists between these individuals, and reach a position in which they can face the issues and work together constructively to right this serious crime situation. If that cannot be done, then I believe there should be a royal commission established.

If it is felt that a royal commission would be more effective, we would certainly go along with the establishment of such a commission. Whether this problem be solved by the attorneys general in concert or by a royal commission, I believe we all agree that there is a problem which must be tackled in the interests of this great country of ours. Therefore I would urge upon the minister and upon those associated with him the necessity for doing their utmost to see that this problem is faced and solved. If that is not done we are going to face a very difficult and serious situation in the very near future.

Mr. Chairman, there is one other matter to which I should like to refer briefly, and it is my intention to speak at greater length on this subject on a future occasion. I refer to the matter of juvenile delinquency, which is a situation of great concern to us today. All members have received the report of the committee that was set up to study this problem regarding juvenile delinquency. I have not read it completely but I have read a considerable portion of it and I can understand why there is a definte concern about this problem which faces us today.

I have figures here, which I do not intend to put on the record, in regard to the extent of the problem. I know all hon. members have received the same information, and that we recognize the extent of the problem. In this report by the committee on its study of the situation we find pointed out that no one cause is behind the problem, but rather that there are many. All of the causes working together create the situation in which we find the existence of juvenile delinquency.

It is essential that very careful analysis be made of all these issues and problems and that something positive and concrete be done to meet the challenge that is presented to us. I am sure we all recognize that youth is our greatest national asset, and that a failure to deal effectively with these problems will constitute a criminal wastage of human resources. I am sure we will all agree that a very careful, detailed and understanding attitude was taken during the study of the juvenile delinquency problem. It is not sufficient for us to get up and blast and blaze away at our young people regarding their faults, failures and shortcomings, because we have all had these, and perhaps some of us still have them. We must take a positive

attitude, realizing that these young people represent our greatest asset, and that if we fail to do our best for them we are wasting that asset.

I have before me a reprint of an address made by Mr. MacLeod, commissioner of the Canadian penitentiary service, headed "Juvenile Delinquency, Just a Legal Problem". There is one short statement in this address I should like to read because I believe it sets out the motive that should prompt us in all our studies and activities in this regard. Mr. MacLeod, the commissioner, states:

> The basic concern, I believe, stems from the adult fear that the child will not achieve his full potential in life; that indiscretions, sown in youth, will yield a harvest of lost opportunity in later life; and at the worst that the juvenile delinquent will, in time, become the adult offender.

I trust that in the spirit set out in that brief paragraph all who are concerned with this problem will work together in an endeavour to solve it, in the interests of all our young people and our nation as a whole. Thank you, Mr. Chairman.

Mr. Winch: Mr. Chairman, I believe it is incumbent upon me to say at least a few words during our consideration of these estimates, and to make some reference to what at the present time may be known as the Spencer incident or case. I can assure you that what I have to say is entirely different from what I intended to say some 15 to 20 minutes ago. I say that because of the announcement just made by the right hon. Prime Minister regarding this situation.

That eminent journalist Mr. Lynch wrote in his column a couple of days ago that as a result of an answer given to a question I had put on the order paper I rose in this house in a howl of fury and said that the Minister of Justice had tried to lynch Winch by stating that he did not think Mr. Spencer would be very happy about his new found friends, and that he did not want an inquiry. Perhaps Mr. Lynch should get a new crystal ball because Mr. Spencer has made it clear that he does want an inquiry.

May I also point out to Mr. Lynch that I am not a new found friend of Mr. Spencer as a result of this case being taken up in the House of Commons, which is of great importance to all Canadians. I know that I am the only member of this house who can say that Mr. Spencer is his constituent, because he has lived for years in the constituency of Vancouver East. I have also known Mr. Spencer personally for many, many years. He has been in my home on a number of occasions. I have met him at numerous meetings when he was fighting on behalf of the postal workers. As a matter of fact, that is how I first met Mr. Spencer. I received a phone call from him saying that he could no longer remain quiet about the wages and working conditions of the post office employees of the federal government. He came down to my home and gave me first hand details. I think he was the first militant person to speak out on behalf of the postal employees in British Columbia.

From that first meeting we advanced to meetings which involved an official delegation from Vancouver, Burnaby, New Westminster and the Fraser Valley. These meetings eventually paid off and something was done for the postal employees of this country.

I wanted to bring those facts to the attention of the committee, Mr. Chairman, because it indicates that I am only interested in the general nature of situations such as Mr. Spencer now finds himself in, and that I speak with a knowledge of a constituent of mine.

• (4:30 p.m.)

I want to emphasize that much as I welcome the statement of the Prime Minister I am still not happy, I am still not completely satisfied about this matter. I sincerely believe that far too many questions have been left unanswered. I find it very, very difficult to understand a situation wherein an announcement was made some 18 months ago that a Canadian citizen in the federal civil service was a traitor to Canada, was guilty of espionage, that the government had the evidence to such an extent that two diplomats or employees of a foreign country's embassy were ordered home without complaint from the embassy, where there was a record of $3,000 or $4,000 being paid to a civil servant by a foreign power as a result of this espionage, where he was put under surveillance for the rest of his life, but there is not enough proof to lay a charge of espionage.

However, Mr. Chairman, there may be and there must be some peculiar, fantastic reasons for this being the case. What hits very close to home in my mind is that if the situation is such that no charge can be laid or will be laid, on what basis is the man found guilty? He must be guilty or he would not have been fired from his job as a clerk, a lowly clerk in the post office, he would not have lost his pension rights, his unemployment insurance rights and be placed under surveillance. I wish to stress that even if I do not know all the details and do not have all

the reports, I still think that even though the security of Canada is concerned the details cannot be of a nature to justify this action being taken in regard to a man who is in fact found guilty without a charge being laid.

But why carry on, Mr. Chairman; there have been days and days of debate on this matter. I still feel very unhappy about the situation. There are too many questions left unanswered. This man has been placed in a position that I believe is absolutely untenable; he has been called a criminal without a charge being laid. He has been found guilty although he may be innocent. I do not understand this. But I do hope that I have the understanding of a member of parliament, and as one who has sat in provincial and federal parliaments for over 32 years in opposition, to realize that an advance is an advance, and an admission, even if it is only a partial admission, by a Prime Minister and government that perhaps they should take a second look at a given situation is something for which we should be grateful. I hope I have the understanding to accept with good grace the advance that has been made and the proposal to meet, at least in part, the request made in the fight that has been waged in this house for many days by opposition members for understanding, decency and Canadian justice.

Mr. Diefenbaker: Mr. Chairman, there are a few questions I should like to ask the minister in connection with a most unusual matter that occurred in the last 10 days. I hope he will give me his attention because I do not want him to feel that what happened this afternoon meant that the chair had been pulled out from under him. I hope he does not have that fear.

My question has to do with a case that went through the courts over a period of years. I refer to the Georges Marcotte case. In no way am I offering any views on the question of commutation. I realize the difficult decision the governor in council had in regard to that case because of the question of identification. However, a most unusual occurrence took place within the last 10 days. One of our major Canadian newspapers carried a report of a lengthy interview with a convicted murderer to which was appended an example of his literary merit and his artistic turn of mind.

I should like to ask the minister, is it the policy of the Department of Justice to permit press interviews of convicted murderers serving their term in penitentiary? Personally I think this course is not one that will contribute to the administration of justice; it has too much of the melodrama that sometimes we see in the neighbouring republic, in which convicted murderers become sentimentally greater than their crime should permit.

I want to know by whom the permission was granted to interview this man. Was that permission granted by the Department of Justice or by the minister himself? By whom was the request for the interview made and what was the reason for granting it? I will have something more to say after I have received answers to these questions.

Mr. Pennell: If I may interpose, Mr. Chairman, if any fault arises out of this incident it must be charged to me, because under the transfer of duties I must advise the right hon. Leader of the Opposition that I am now responsible to the house for the penitentiaries service. I undertake to obtain answers to the questions the right hon. gentleman has raised as quickly as possible.

Mr. Diefenbaker: Is the minister not in a position to answer these questions?

Mr. Pennell: I am not, sir. I say quite frankly to the right hon. gentleman that I am not in a position to answer them. But the officials of my department are standing by and I expect to have an answer from them almost immediately.

Mr. Diefenbaker: The answer given by the minister, with the frankness that always characterizes him, lends emphasis to a view that I have expressed, namely that the trifurcation of the Department of Justice will not make for strength, certainty and effectiveness.

There is one other matter I wish to refer to, Mr. Chairman. It does not come under justice but it comes generally under the question of the estimates. We have tried to co-operate in bringing about the passage of the estimates that have come before us. They amount to a vast amount of money, billions of dollars. Today we got into a controversy which has made impossible the completion of the estimates that are before the committee. There are still five or six departments whose estimates have not been touched, two of them of major importance.

We as members of the House of Commons would be recreant to our trust if we rushed in and gave rubberstamp approval, as it were, or carte blanche approval to a mass of expenditures which has yet to be examined.

It is not our fault that there has been delay in this matter. The Prime Minister in the month of June, at the time of the adjournment of the house to the fall, stated that we would be back in September. He changed his mind. He saw a majority as a result of an election and he called the election. These estimates would have been passed in the regular manner, had it not been for the precipitate way in which an election was called.

• (4:40 p.m.)

Now, I want to offer a suggestion in a spirit of co-operation. We have covered some 15 departments, I think. In order to assure that supply will be available, we are prepared immediately to give consent to the introduction of the necessary appropriation bill, give first, second and third readings forthwith then, so far as the other departments are concerned, they can be dealt with next week. We have done everything to bring about a full examination. The house has sat long hours, over and above the added hours that we are now sitting compared with the hours of sitting in previous sessions. If the government is desirous of getting a bill through, so that royal assent can be given, then on behalf of the opposition I ask for the introduction of such a bill. We will immediately give it our support. I hope hon. members in other parties in the house will join in that, so there will be no question of supply drying up over the week end.

Mr. Cowan: Mr. Chairman, I did not desire to speak further on the justice estimates this afternoon. I had determined not to rise unless I could see that justice was not going to be done. I wish to congratulate the Prime Minister upon his action and for his announcement of this afternoon. There was a remark passed here this afternoon upon which I wish to comment and I wish to do so immediately.

The hon. member for Lapointe made a statement that there were certain people in the House of Commons carrying on a vendetta against French speaking ministers. I regret that such a statement was ever made because I do not believe such a situation exists. I regret that a French speaking member has made it. I should like to emphasize this point, that when the cabinet gives a pension to Messrs. Belec and Poitras, after the Royal Canadian Mounted Police found against them, then I for one want to see that an Anglo-Saxon gets a pension when another tribunal has found against him.

Mr. Lewis: I do not know whether Mr. Spencer is an Anglo-Saxon, or a Buddhist or from Africa or from Timbuctu. I, for one, strongly object to the kind of differentiation which was made both by the hon. member for Lapointe and the hon. member for York-Humber. May I say also that I think of the Minister of Justice as English speaking. He speaks as fluently as any person named Smith or Smyth or what have you.

Mr. Herridge: A wonderful fellow.

Mr. Lewis: I join the right hon. Leader of the Opposition in expressing pleasure at the fact that the position taken by members of parliament has enabled the Prime Minister to change the position which the government had formerly taken and to do a measure of justice to Victor Spencer. The right hon. gentleman was good enough to suggest that I should be at the extension of the telephone when the Prime Minister speaks to Mr. Spencer. I appreciate the invitation, but—

Mr. Diefenbaker: Wire tapping is against the law.

Mr. Lewis: That is right, wire tapping is against the law. I do not accept the invitation, with great respect to the Prime Minister, first because Canada would be in an awful state if this parliament could not accept what the Prime Minister of the country says he heard over the telephone. I am not going to monitor him.

I do say, Mr. Chairman, very seriously that when the Prime Minister speaks to Mr. Spencer, Mr. Spencer ought to have beside him his counsel and John Laxton, whom I have asked to enter the picture. I see the Minister of Justice nodding his head. Can I assume that that is not only an agreement by him but an undertaking by him that that will be made possible?

Mr. Cardin: Well, Mr. Chairman, I am quite sure the right hon. Prime Minister would not object to that at all. As a matter of fact, Mr. Spencer has had legal counsel from Mr. Rankin for quite some time, and according to the report we had from the hon. member it appears that Mr. Spencer and Mr. Laxton get along extremely well. I am quite sure the Prime Minister will not have any objection at all if both of these gentlemen are present.

Mr. Lewis: I wanted that because I wanted Mr. Spencer to get any advice he may want to obtain when the Prime Minister speaks to him.

The second thing I want—

Miss LaMarsh: How about the Prime Minister having his lawyer there?

Mr. Lewis: There is a host of lawyers the Prime Minister could have. The other point I want to make, Mr. Chairman, and about which I am very anxious, as I am sure all hon. members are, concerns the terms of reference appointing the inquirer. I do not care if you call him a commission of inquiry or what you call him. I heard the Prime Minister say it would be a judge, in answer to my question. I think the terms of reference ought to be broad enough not merely to enable the judge sitting to say whether or not the action was legal. I do not have very grave doubts about that, anyway, and it is a very narrow thing. The terms of reference should be broad enough to enable the person making the inquiry to say whether, in his view, in all the circumstances of this case, what was done with respect to the insurance and pension was right, in terms of human and decent treatment of an employee of the government.

On the understanding that Mr. Spencer will have beside him Mr. Rankin and Mr. Laxton when he speaks to the Prime Minister or the Prime Minister speaks to Mr. Spencer, and that the terms of reference will be broad enough to meet the requirements of human treatment, I am very pleased, Mr. Chairman, to withdraw the motion which I made earlier.

The Chairman: Order, please. Does the committee give its unanimous consent to the hon. member for York South to withdraw his motion?

Mr. Fulton: Not just at the moment. I have an idea I will but I think there is a point that must be raised immediately before we finally dispose of this matter. I am sure that all members on all sides of the house in this committee will agree that it is significant that the Prime Minister has announced that an inquiry will be made into the question whether or not a public servant has been treated fairly. I express my unreserved approval for that course; I just wish that it had been taken some time ago. As the hon. member for York South has raised the question of the terms of reference of the inquiry which is to be made, I too wish to raise what I think is a serious question in that regard.

• (4:50 p.m.)

I do not think it is just enough that there should be an inquiry into whether or not a man should have his pension rights restored, but surely an inquiry must be directed into the question of whether or not there was sufficient evidence upon which to dismiss him. If there was sufficient evidence upon which to dismiss him, then he should not have his pension restored. How, therefore, can the inquiry avoid taking that question into consideration? This was the very point I sought to raise in my remarks earlier today. Under whatever disguise the government may attempt to cloak it, what is necessary to establish the rights and wrongs of the matter is a judicial inquiry held in camera to determine whether or not the government had the evidence upon which the dismissal of Mr. Spencer was justified, and whether or not that evidence could or should have been introduced in the courts.

Let me assure you, Mr. Chairman, that I have no wish to impose my views about the logicality of the situation against the will of the committee. I think I am right in assuming that the committee does wish to accept what the Prime Minister has announced. But I cannot give my consent to the withdrawal of this motion without registering my strong opinion that the procedure which is proposed to be taken is really not getting to the root of the issue at all. If it results in fairness or justice being given to Spencer, or the restoration of his pension, then it may well be that some benefit will be derived from this course.

Mr. McIlraith: Would the hon. gentleman permit a question?

Mr. Fulton: Certainly.

Mr. McIlraith: In the circumstances, does he regard the payment of full pension as being of greater benefit to the person involved than a return of the contributions which he has made?

Mr. Fulton: I would express no opinion on that matter. I cannot answer because I do not know. If there was not sufficient evidence upon which to dismiss Mr. Spencer, then I am saying that he should be completely restored so far as is possible to the position which he enjoyed before his dismissal. If there was sufficient evidence upon which to dismiss him, then who is to say that the matter is adjusted by giving him a pension? How can we come to the conclusion that there was or was not sufficient evidence unless all questions are taken into account in the inquiry?

Mr. McIlraith: I was putting it on a much more definitive basis. I was dealing with the language used by the hon. gentleman when he

talked of restoring the pension. I should like to ask him whether he thought that restoring a pension was always of greater benefit to a person than returning his contributions. In some cases civil servants prefer one over the other.

Mr. Fulton: With respect, Mr. Chairman, in my view the question whether you restore his pension or return his contribution does not arise, if you are satisfied that there is not sufficient evidence upon which to dismiss him. What I am saying is that every step must be taken to restore him so far as is possible to the position in which he would have been had he not been dismissed. You cannot arrive at that decision until you arrive at the decision whether or not there is sufficient evidence upon which to dismiss him. That is why we are asking for an inquiry, and have done so all along.

All I am saying is that the Prime Minister, while seeking to make the best of a bad job, has underlined the fact that the whole thing is just a ghastly mess. Had the government been less stubborn and agreed that the unusual and extraordinary circumstances of this case warranted the setting up of an in camera judicial inquiry, we would not be in the illogical position in which we find ourselves now. Parliament would not be frustrated, the estimates would be almost completed, the government would not be out of money, and we would have got on with the business of the country. We have been prevented from doing this by the wrong, intransigent and stubborn attitude of the government, which has been based upon an entirely false premise.

I certainly wish to record my opinion before I agree to the withdrawal of the motion that, although it allows us to get on with the job, it does not disguise the fact that the whole thing has arisen out of an entirely improper course of conduct which has been followed by the government from the beginning.

There is also the matter of the Prime Minister making a phone call. Why does he not go on television too and let the whole public hear him?

Mr. Herridge: Mr. Chairman, I will be very brief as usual. I want to compliment the hon. member for Kamloops upon his remarks; he has a sense of justice which I admire. He does not want to see partial justice done but complete justice done. I also compliment the minister on his later retreat.

I want to take this opportunity to inquire of the Solicitor General what progress is being made with the examination of documents seized by the R.C.M.P. from the headquarters of the Seafarers International Union in Montreal. Are these documents being examined by the law officers of the crown or by other counsel? Second, have the provincial authorities in Quebec been interested in the possibility of charges being laid on the basis of evidence contained in these documents? Third, when does the minister expect a decision will be made with respect to laying charges on the basis of the information contained in these documents?

I have one other matter to bring to the attention of the Minister of Justice. Strangely enough the hon. member for Kamloops was Minister of Justice on June 9, 1961, when I raised this question in the house. It concerns a person known as Mr. Heakes. I dealt with the matter at some length on the basis of the information given me.

In reply to me the then Minister of Justice said, as reported at page 6092 of *Hansard* for that year:

> Turning now to the Heakes case, I should say at once we have here a most difficult case in connection with an individual for whom I have a great deal of sympathy. The case has been exhaustively investigated by myself and at least one of my colleagues. It has also been exhaustively studied by senior officials in the government service. I have had a lengthy interview with Mr. Heakes. I referred him to the then assistant deputy minister of justice, who had several lengthy interviews with him. In the course of these interviews the position was fully explained to Mr. Heakes with every regard for the difficult position in which he found himself. Furthermore, I know that at least one of my colleagues has given assistance of a personal nature to Mr. Heakes during the period when he has found himself in difficulty, so it may be said that Mr. Heakes has not found an unsympathetic attitude on the part of the government and its officials.

I want to draw attention to the next part of his speech, which is as follows:

> Our investigation has established that at the time the proposal was made there was some confusion as to whether it was the original or amended proposal which was approved by the court. Our investigation also established that there was some error on the part of the trustee who applied later on to have the proposal annulled. But the action of the trustee, so far as I can determine—and at this point I am satisfied of this on the report of my advisers—was in error and not of the nature of fraud or bad intent.

At that time the minister did go extensively into this unfortunate case. Since that date this man has made numerous calls to the house, visited a number of members and has had conversations with legal counsel, and so on. He produced many documents, some of them coming to my office as well as to the

offices of other members at this end of the house.

I am not going to take the time to go further into this matter. This man sought the assistance of the primate of the Anglican Church of Canada and other prominent persons in Montreal. At the time he brought the case to the attention of the members of the house the President of the Privy Council was then assistant deputy minister of justice. I for one feel very sorry about the circumstances surrounding this case. This man is very concerned that he be given an opportunity to obtain justice by presenting further evidence. He claims there has been perjury, wrongdoing and so on, on the part of various officials appointed under the superintendent of bankruptcy. In conclusion, I would ask whether the minister would give this unfortunate man an opportunity again to present his case to him or his appropriate officials.

The Chairman: Order. It being five o'clock and in order that the house may proceed to the consideration of private members' business, it is my duty to rise, report progress, and request leave to sit again later this day or at the next sitting of the house, as the case may be.

Progress reported.

• (5:00 p.m.)

BUSINESS OF THE HOUSE

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker I move, that the house continue sitting this day until twelve o'clock midnight.

Hon. Gordon Churchill (Winnipeg South Centre): I oppose that, Mr. Speaker. Ten members rise. It is out.

An hon. Member: Where is the co-operation?

Mr. McIlraith: Mr. Speaker, in view of the failure of the motion to carry, I wonder if hon. members would be willing to waive private members' hour and continue with the estimates until six o'clock?

Mr. Churchill: In answer to that, we think we should go on now with private members' hour. Three times this week private members' hour has been passed over. The situation that the government got into today was of its own making, not ours.

Mr. McIlraith: I cannot let that remark go, Mr. Speaker. I think that the house leader of the official opposition, on mature reflection, will wish that he had not made that remark because it is not in accordance with the facts. He must accept his share of the responsibility, and the official opposition must accept their share of their responsibility.

Mr. Churchill: I have reflected, and I stand by what I said.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, we agree to the request of the government house leader so that the debate on the Department of Justice estimates may go on until six o'clock.

Mr. Speaker: Order. As there is not unanimous consent, the house will now proceed to consideration of private members' business.

• (5:10 p.m.)

[*English*]

UNEMPLOYMENT INSURANCE ACT

AMENDMENT TO PROVIDE FOR EMPLOYEES IN AGRICULTURE

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale) moved the second reading of Bill No. C-59, to amend the Unemployment Insurance Act (agricultural employees' coverage).

He said: Over the years, more and more employees have been covered by unemployment insurance. There is only one segment of our working population which is not presently covered, and that is agricultural and farm labour. I have presented my views on this subject on more than one occasion before standing committees and in the house itself.

This spring there is likely to be a severe shortage of farm labour. The main reason farm units are unable to get labourers to work on their crops is because agricultural workers are not covered by unemployment insurance as are other workers. In 1962 the Gill report was presented, late in the fall, to the Conservative government of that day. We were not able to debate it because early in 1963 an election was called. As a result the report was not adopted or implemented. I should like to draw attention to one of the recommendations in this report which states that farm labour should be included within the terms of the Unemployment Insurance Act, provided administrative difficulties can be overcome.

Four years have gone by and no action has been taken either by this parliament or by its predecessor. I should like to stress this point: If ever there was a time when farm labour

should be covered by unemployment insurance, this is the time. There are shortages of labour in Canada at the present time. Even unskilled workers who have no knowledge how to operate farm machinery are unwilling to work on our farms, simply because they are not covered by insurance benefits.

I brought this matter to the attention of the Minister of Labour and he was good enough to tell me this question would be dealt with. I take his word that consideration will be given to it, but I think it should be dealt with immediately because there will be a severe shortage of farm labour by the spring both in the west and in the east.

I believe the minister should give serious thought to letting the present bill go through. Let it go before the Standing Committee on Agriculture so that it can be implemented to the benefit of all those who are willing to work on our farms. I should like to remind hon. members that it was in 1957, before the government of that day was voted out of office, that the then minister of fisheries with the help of some of his colleagues was in a position to bring in legislation enabling fishermen on both the east and the west coasts to enjoy the benefits of the act. I am not suggesting that the fishermen should not be covered, even though they are self-employed. There was a need for these benefits. But I am blaming the members of parliament and the minister of agriculture from the western provinces because at that time they failed to bring farm labour under the provisions of the act. That was the time when action should have been taken. It is most regrettable that the fishermen were covered while farm labour was not taken into consideration.

I brought this bill to the attention of the former minister of labour, now minister of health. He assured me on more than one occasion that the Gill recommendation would be brought before the standing committee and that this matter would be debated. Of course, there have been two elections in succession, as it were, and this can be used as an excuse for delay. Nevertheless, there was plenty of time for the Minister of Labour to have presented this report.

The Gill report went thoroughly into the merits of the case for providing coverage to farm workers and it recommended that all those who worked should be covered by unemployment insurance, provided the administrative difficulties could be overcome. I cannot see why administrative difficulties connected with the agriculture industry could not be overcome. There must be a means by which this legislation could be implemented. Today there is hardly anyone in the west who is willing to work on a farm. The industry is now highly mechanized. Scarcely anyone wishes to hire a man who works with horses. We use expensive implements—another reason why farm labour should be covered by insurance.

[Mr. Rapp.]

• (5:20 p.m.)

It is now skilful work and it would be wrong to entrust a combine costing $8,000 or $9,000, or a tractor costing $5,000 or $6,000 to someone with little skill or experience in handling such expensive machinery. I know there are many members on both sides of the house who are in favour of having unemployment insurance coverage given to farm labourers. For that reason I will yield the floor and let them express their views to show that this is a necessity. If ever there was a time when farm labour should be covered by the Unemployment Insurance Act, this is it.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I am sure any hon. members who were members of the industrial relations committee in 1955, when the Unemployment Insurance Act was given a major overhaul, will recall that some of the members of that committee, including myself, made quite an effort to have it extended to cover farm labourers. However, our best efforts were unavailing and it has been a matter of considerable regret that, as a result, ever since that time the agricultural workers of Canada by and large have been excluded from the benefits of coverage.

I know the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp) has been a consistent advocate of extending coverage since I returned to the house in 1962. I can only say in passing that I have some regret that during the period he sat on the government side he was not able to persuade the government which he supported to implement the changes he recommends. But there is little point in dwelling on what might have happened in the past.

It should be apparent to any hon. member who has looked at the most recent brief presented by the Canadian Federation of Agriculture that the adoption of this bill is a matter of increasing urgency. One of the major points made in that brief dealt with the problem which Canadian farmers have in securing adequate farm workers, both with respect to skills and numbers. For that reason,

if for no other, this bill is worthy of early passage.

The reason given in 1955, and the reason given since for the exclusion of farm workers from the benefits of the act, is that their work is largely of a seasonal nature. It is true that many Canadian farms do not require full time, year round employees, though large numbers are employed on that basis. However, I think any one who has talked to farmers, and people interested in engaging in farm work, recognizes the fact that one of the problems in securing an adequate number of workers is that people who are engaged in other forms of insurable employment, at other seasons of the year, try to avoid accepting farm employment because, during any period of employment on a farm, they will be outside the coverage of the Unemployment Insurance Act, and thus lose potential benefits under it.

We are discussing this bill at a time of high employment and when the most recent reports indicate that the amount of money in the unemployment insurance fund is on the rise. It is a time when skilled workers are in short supply, and this situation is striking quite a blow at the agricultural economy of the country. It is for this reason I feel the house should give second reading to the bill and refer it to the appropriate committee where, if minor changes are required to fit it in with the existing Unemployment Insurance Act, they can be implemented there and reported back to the house for favourable consideration.

• (5:30 p.m.)

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I shall make only a few comments on the motion for second reading of Bill No. 59, an Act to amend the Unemployment Insurance Act (Agricultural Employees' Coverage).

Here is the preamble of this bill:

Whereas, under the provisions of the Unemployment Insurance Act, employment in agriculture is an employment that is not, nor has been, an insurable employment; and

Whereas, since the coming into force in 1941 of The Unemployment Insurance Act, 1940, economic and social pressures and technological changes have reduced the number and increased the size of farm units and have swollen the migration of excess farm population to urban areas; and

In the farming areas, and to give only one example, more specifically, in my own area, we have mining centres, mining towns, and surrounding such towns are quite a large number of farming parishes where the settlers must, during the winter months, work either in the woods or in mines and come back to their farms for the few summer months to try to earn something from them.

While those people are employed in lumbering or mining, they pay unemployment insurance and when they leave their jobs they apply to the unemployment insurance office to get benefits, only to be refused benefits because they are told that their main occupation is agriculture.

Mr. Speaker, everybody knows that agriculture is centred mainly in eastern Canada. In our province of Quebec more particularly, agriculture brings in approximately $1200 to $1500 a year to our farmers and settlers, many of whom earn less than $1300. It is not with only six or seven cows that a farmer or a settler can support a family of seven, eight or ten children on the farm.

I believe the amendment proposed in Bill No. C-59 reasonably complies with the requirements and particularly with justice, for farmers and farm workers.

The bill goes on as follows:

Whereas, increasing mechanization and the consolidation of smaller farm units for more efficient operation, the low levels of farm income compared to the income of the non-agricultural labour force, the high capital cost of entering modern farming, and the attraction of urban amenities, turn farm youth from farming as a family way of life.

It is a fact. We find that young people are leaving the farm for the cities. Go into any farm riding nowadays, whether it be my riding or the riding of Lotbinière, and ask a young man of 23 or 25: Are you interested in taking over from your father on the farm? In 95 per cent of the cases, the young people will reply: We are not interested in working 15 hours a day the year round on the farm for an income of $1,200 to $1,300.

This is where the young farmers, the youth exodus toward urban centres is apparent. The young go away and leave the farm. Why? Because farms no longer supply a livelihood to the farmers. That is the reason. The young do not want to carry on. Why? Because they have seen their fathers toil for years, for 10, 15, 20, 25 years. They are not interested in taking over their father's place on the farm precisely because the farm no longer offers the security it formerly did.

The bill goes on:

Whereas, the number of workers with the new abilities and managerial skills requisite for seasonal or permanent employment on the modernized farm

has decreased and such workers are reluctant to take employment in agriculture due to the occupational discrimination in the Unemployment Insurance Act against employment in agriculture; and

Whereas, by reason of the facts hereinbefore recited, the small farmer must shrink his acreage and the operator of a large farm is harassed in his operations and expansion; and

Whereas, the Commissioners appointed to inquire into the Unemployment Insurance Act in their report dated November 1962 recommend that the general principle be followed of extending coverage as broadly as possible for employees in agriculture so long as the necessary administrative procedures may be carried out to see to it that the rules of the plan are adhered to in a satisfactory fashion;

And this is where the amendment to the Unemployment Insurance Act is introduced:

An Act to amend the Unemployment Insurance Act.

Section 26 of the said Act is amended by adding thereto, immediately after subsection (3) thereof, the following subsection:

"(4) Notwithstanding anything in this act, the commission shall, with the approval of the governor in council, make regulations to include employment in agriculture in insurable employment and to provide for all such matters as are necessary to provide unemployment insurance for employees in agriculture.

Even if this bill is sponsored by a member of the opposition, it should get the unanimous approval of the house because it is important that our farmers, our settlers and our farm workers be treated on the same footing as other workers in any industry or in any economic sector, in Canada.

One of the things that the government should keep in mind is that a miner during his employment, makes a contribution, but it should not be forgotten that miners earn $5,000 while farmers make only $1,200. The small earners are exactly those who cannot get unemployment insurance benefits.

Now, if other categories of workers are entitled to unemployment insurance benefits, I sincerely believe that our farmers and settlers should be treated as fairly as any other category of workers in industry.

That is why I give my unqualified support to Bill No. C-59 and I hope that instead of giving it a first class burial at six o'clock, hon. members will have an opportunity to vote on it so that farmers can be treated just as fairly as the other social classes in this country.

[*English*]

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I wish to speak very briefly on this bill because I believe that this is a matter which concerns the farmers in my riding, the farmers in the riding of the hon. member who proposed the bill, as well as farmers all across Canada. There is no doubt about the suggestion that agricultural workers are not covered under the Unemployment Insurance Act and that this makes it difficult for farmers to obtain assistance for seeding, harvesting and other tasks. I do not want to be misunderstood, because there is no doubt in my mind that it would be desirable for the people who are engaged in the occupation of farming to be covered by unemployment insurance; but having said that I should like to state that I have some apprehension about the administration that would be necessary to make this possible.

I have had some experience in the small business field in complying with the terms of the Unemployment Insurance Act. I know, for example, that it is an offence for a small businessman to hire anyone unless he is licensed to buy unemployment insurance stamps. I know it is an offence if a small businessman does not purchase the stamps and place them in the unemployment insurance books within three days of the end of the month.

If the government does acquiesce to the requests contained in Bill C-59 I hope they will be extremely careful in setting up the regulations for the administration of this coverage; otherwise, on balance, this will be more of a millstone to the farmers across this country than it will be of assistance. It will require farmers hiring anyone to work for them to obtain a licence to purchase stamps, to keep records and supply the unemployment insurance office with those records. This could be more of a burden than anything else.

There may be a solution to the situation. I think the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp) pointed out the difficulties when he referred to the Gill commission, which suggested that it would be desirable to have agricultural workers covered under the act, provided the administrative details could be worked out. It is those details with which I am concerned, and I have had some experience in this small business field. I can well imagine that farmers will be unhappy when they find that they will be committing an offence by hiring someone without having a licence to purchase stamps, and unless they keep books, provide records, and so on.

• (5:40 p.m.)

Having said that, Mr. Speaker, I think there is a possibility that in setting up the regulations this system could be made optional or used at the discretion of the particular farmer concerned. I say this because those farmers who carry on a large enough operation to warrant their needing hired help, perhaps on a year round basis, should be brought in. Some of those who require more than one employee, and are fairly consistent employers of farm labour should be brought in, because usually their operation is large enough that they have to do a great deal of bookkeeping, keeping of records, submitting of reports and so on. Adding the Unemployment Insurance Commission requirements to that kind of operation would probably not be objectionable. But to make it a blanket coverage as it is with other business today would create, I think, a great many problems that would be undesirable.

I should like the government to consider making this system optional in the regulations because I know the government has stated on a number of occasions that it is seriously considering ways and means of bringing agricultural workers within the ambit of the act. As I said, Mr. Chairman, I want to be very, very brief and in conclusion I should like to caution the government that if and when they do introduce this kind of coverage the regulations should not be so extensive and arbitrary that they will cause a great many small operators and part time employers, if I may put it that way, a great deal of difficulty in abiding by them.

Mr. Barnett: Mr. Speaker, may I ask the hon. member a question? I should like to ask whether he is not aware of the fact that unemployment insurance stamps can be secured at any post office as required.

Mr. Olson: I am very well aware of that fact, but you cannot buy unemployment insurance stamps at any post office unless you have a licence to buy them. There are very good and sufficient reasons for having to apply for such a licence and for the application book necessary to pick up these stamps at any post office. The hon. member for Comox-Alberni (Mr. Barnett) knows very well that he cannot go to a post office and buy unemployment insurance stamps unless he produces the licence with which to purchase those stamps. The reason is very simple; it is that there would be abuse of the use of these stamps unless there was very strict control on who could buy them.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I have listened with great interest to the various contributions to the debate on the bill now under study.

I should like, first of all, to congratulate the hon. member who introduced the bill; his intentions are excellent and his proposal worthy of interest.

Mr. Speaker, the bill, in its present form, reflects the claims, not only of the Canadian Federation of Agriculture but also of the Catholic Farmers' Union, both of which advocated it strongly.

Personally, I came to the house in 1963 and supported and requested such legislation.

I do not wish to minimize the credit of the hon. member who moved the bill, but as I represent an essentially rural riding—there are only villages in the riding of Lotbinière, no towns or cities—I am in a position to understand the nature of our farmers' problems, and more specifically, the problems that arise because the tillers of the soil are not covered by the Unemployment Insurance Act.

Therefore, I fully agree with the principle of this bill. I also agree with the reasons adduced in the preamble of the bill, particularly the marked technological changes that have occurred since the Unemployment Insurance Act came into force; increasing mechanization of our farms and the consolidation of farm units and the fact that a worker owning a smaller farm is likely to disappear for the benefit of those who own larger units.

I believe that all these reasons enlighten us in a special way on the necessity of such a bill.

However, I have listened also to the speech made by the hon. member for Medicine Hat (Mr. Olson) and, there, we have food for thought. In my opinion, here is the weakness of the bill: the application provisions of this legislation are certainly not thorough enough for us to pass this bill at once.

In fact, section 3 reads as follows:

(4) No payment shall be made out of the amounts standing to the credit of the unemployment insurance fund in the consolidated revenue fund in respect of unemployment insurance benefits and refunds of contributions for employees in agriculture in excess of and except out of the amounts credited on account of contributions on behalf of insured persons, contributions made by employers of insured persons, and interest earnings of such contributions.

Then I wonder whether the sponsor of this bill made the necessary calculations to see how much this will cost? Does he have

statistical data or exact figures that can prove mathematically that we are in a position, without further consideration, to give immediate passage to this bill, for I believe there is not much difficulty about the principle.

A few moments ago, the hon. member for Comox-Alberni (Mr. Barnett), noting that the intention of the hon. member who sponsors this measure is generous, regretted like us that—his government was in office at the time when the hon. member sat as a representative in this house in his first years—that his government did not take the initiative he wants our government to take.

Therefore, this means there is a problem. If the government does not act very quickly, if the government is not ready, when the principle is recognized to take immediate action, it is due to technical difficulties and problems relating to the practical application of the bill. In my opinion, we would not be in a position, even if we agreed in principle, to pass the bill as it is, because the hon. member did not indicate clearly enough how the government could defray the cost of implementing these new provisions.

Mr. Speaker, since we are dealing with the unemployment insurance problem, I must say, before resuming my seat that I am quite concerned about another insurance scheme, that of crop insurance.

Since the government, as well as the Quebec government, have made firm commitments in this connection, I am wondering—I see, Mr. Speaker, that you are about to call me to order, but I shall not stray from the subject completely—I say that I am concerned about the possible application of the Crop Insurance Act, because I think that, on the one hand, Mr. Courcy has not entirely agreed with the proposals of the federal Minister of Agriculture (Mr. Greene). I am wondering whether we shall be in a position to witness this year the implementation of crop insurance which is much more important than the application of the bill under study.

I am in agreement with the principle of that act. I commend the hon. member for his noble intentions, but since we are not advanced enough, both on the practical and on the technical level, I do not feel we are in a position to act readily upon the bill now before us.

• (5:50 p.m.)

Mr. Caouette: Mr. Speaker, will the hon. member allow a question?

[Mr. Choquette.]

Mr. Choquette: With pleasure, Mr. Speaker.

Mr. Caouette: Mr. Speaker, is the hon. member of the opinion for instance, that farmers and settlers in his riding like in mine, who work during the summer and contribute to unemployment insurance, but lose their jobs during the winter, should receive benefits which are now refused, because they are under agriculture rather than under labour, although they have paid their contributions for six or seven months of the year?

Mr. Choquette: Mr. Speaker, I am thoroughly in agreement with what the hon. member for Villeneuve says. It is very true, and I know, because I represent an agricultural riding and farmers come to me to complain about this injustice.

As this principle seems to have unanimous approval, I wonder whether this matter should not be referred to some committee of the house, so that concrete steps could be taken and this principle implemented soon.

Mr. Jean Chrétien (Parliamentary Secretary to Minister of Finance): Mr. Speaker, like the hon. member who spoke before me and others who took part in this interesting debate. I entirely agree with the principle of the bill.

However, I wish to point out that the Unemployment Insurance Act should be revised during this session, as was announced in the speech from the throne if, however, we ever resume the study of legislation, for, at this rate, I do not see when we shall begin our examination of this new legislation.

I am inclined to believe that this problem will be examined and will receive all the consideration it deserves, because it is absolutely unfair, in my opinion, that farm workers—they are not farmers or farm owners, but employees like all other employees —should not benefit from social security measures established for everyone in this country.

However, as the hon. member for Medicine Hat (Mr. Olson) pointed out, there are great technical difficulties involved in that problem. Why? Because often those farm workers only work a few days or a few weeks. In addition, in the case of employers who have but one employee during certain seasons, it seems that the method of checking their operations in order to prevent abuse will require a thorough study on the part of the government.

In the past, people have often taken undue advantage of unemployment insurance, people who were not entitled to its benefits, people who took advantage of the fact that some employers were not well organized. As a result, complaints were made that people who were not entitled to unemployment insurance and often were lazy, worked solely to get, under false pretences, unemployment insurance stamps in order to benefit from that insurance. The government was then forced to take steps to prevent this type of abuse.

I feel the observations of the hon. member for Medicine Hat are most appropriate in this connection.

We agree on the principle of the bill, particularly in this day and age when small farmers disappear, while newcomers undertake large farm operations and behave like small industrialists.

I think it is entirely illogical that these industrialist-farmers should not be able to give their employees the same benefits as other employers.

I agree that we should pass a bill in this regard and I am inclined to think that we shall be in a position to adopt the proper policy during this session, when the government has the opportunity to introduce its bill to revise the Unemployment Insurance Act, so that all Canadian workers, including farm workers, be put on the same footing.

[*English*]

Mr. Richard Cashin (St. John's West): Mr. Speaker, I, too, should like to express the sentiments of the previous speaker and support the principle of this bill. About a month or so ago the very distinguished and very able Minister of Agriculture (Mr. Greene) visited the province of Newfoundland. As all gentlemen in this house are aware, while Newfoundland has many industrious farmers it is not one of those areas of endeavour that has made Newfoundland renowned throughout the world. However, we were very glad to have the Minister of Agriculture visit our province and to meet with the dairy farmers and mixed farmers of the various regions, particularly in the Avalon peninsula and in central Newfoundland. One of the matters that came up for discussion during this meeting with the farmers, a very successful meeting at which all these men were much impressed by the minister's understandable interest and sympathy, was this very point that is in fact the principle of this bill, namely the extension of unemployment insurance to farmers.

There are certain technical and other difficulties that are recognized. I hope, as I know all hon. members particularly on this side of the house do, that in the not too distant future these technicalities will be overcome to the point where this principle can, in fact, be adopted. I would remind all hon. members, Mr. Speaker, that just as it was the Liberal party that extended these benefits to fishermen in 1956 so, too, it will be the Liberal party that will extend these benefits to farmers, hopefully, in 1966.

I may say it is unfortunate, indeed, that the hon. member who introduced this bill, and for whom I have a great deal of respect, and his like minded colleagues, were unable during the five years they were in office with such a large representation, particularly from the farming areas, to persuade the government of the day to overcome these technical and other difficulties involved.

Mr. Rapp: Mr. Speaker, I rise on a point of order. In my remarks, I stressed that the Gill commission was set up by our government at that time. The report was not in until December or November, 1962. Then there were the Christmas holidays and after that an election. I should like to have the record straight.

Mr. Speaker: Order, please; this is not a point of order, it is a correction. The hon. member may have an opportunity to continue the correction when this bill comes before the house a second time. The hour for the consideration of private members' business has now expired.

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

END OF VOLUME II